

# *The* NATIONAL UNDERWRITER

*Distinctive Advertising Lends  
Distinction to the Men Who Use It.*



*Well over 2,500,000 reprints of Travelers  
magazine advertisements were used by Travelers  
producers last year.*

THURSDAY, MARCH 15, 1951

# PEARL AMERICAN GROUP

19 RECTOR ST., NEW YORK 6, N.Y.

CLEVELAND  
320 Bulkley Bldg.

CHICAGO  
175 W. Jackson Blvd.

CINCINNATI  
1423-1424 Carew Tower

SAN FRANCISCO  
369 Pine Street

PHILADELPHIA  
436 Walnut St.

## Pearl Assurance Company, Ltd. (United States Branch)

19 Rector Street, New York 6, New York

### FINANCIAL STATEMENT — December 31, 1950

Assets	
*Bonds	
Government .....	\$8,239,925.53
Railroad .....	235,566.11
Public Utilities .....	580,044.90
Industrial and Miscellaneous .....	68,600.00
	<b>\$ 9,124,136.54</b>
*Stocks	
Railroad .....	\$ 191,800.00
Public Utilities .....	2,001,811.00
Bank and Insurance .....	2,767,186.98
Industrial and Miscellaneous .....	1,035,682.00
	<b>5,996,479.98</b>
Cash and bank deposits .....	<b>1,503,294.00</b>
Premium balances receivable not more than 90 days past due, less reinsurance premiums due to other companies .....	<b>750,138.95</b>
Reinsurance recoverable on paid losses due from other companies .....	<b>576,054.20</b>
Other admitted assets .....	<b>89,919.80</b>
Total Admitted Assets .....	<b>\$18,040,023.47</b>

Liabilities	
Unearned premium reserve .....	<b>\$ 8,649,605.69</b>
Losses in process of adjustment .....	<b>1,311,544.00</b>
Reserve for taxes .....	<b>253,158.00</b>
Reserve for all other liabilities .....	<b>569,137.12</b>
Statutory Deposit .....	<b>\$ 500,000.00</b>
Surplus .....	<b>6,756,578.66</b>
Surplus to Policyholders .....	<b>7,250,578.66</b>
TOTAL .....	<b>\$18,040,023.47</b>

\*Valuations on basis approved by National Association of Insurance Commissioners. Securities carried at \$610,000.00 are deposited as required by law.

## The Eureka-Security Fire and Marine Insurance Company

Corporate Office: 1423-4 Carew Tower, Cincinnati 2, Ohio

Chief Office: 19 Rector Street, New York 6, New York

### FINANCIAL STATEMENT — December 31, 1950 (New York Basis)

Assets	
*Bonds	
Government .....	\$7,817,403.27
Railroad .....	192,342.57
Public Utilities .....	528,075.86
Industrial and Miscellaneous .....	68,700.00
	<b>\$ 8,606,521.70</b>
*Stocks	
Railroad .....	\$ 25,000.00
Public Utilities .....	1,730,509.00
Bank and Insurance .....	677,083.85
Industrial and Miscellaneous .....	694,445.00
	<b>3,127,037.85</b>
Cash and bank deposits .....	<b>752,697.04</b>
Premium balances receivable not more than 90 days past due, less reinsurance premiums due to other companies .....	<b>430,598.77</b>
Reinsurance recoverable on paid losses due from other companies .....	<b>311,947.35</b>
Other admitted assets .....	<b>65,029.48</b>
Total Admitted Assets .....	<b>\$13,293,832.19</b>

Liabilities	
Unearned premium reserve .....	<b>\$ 7,499,345.81</b>
Losses in process of adjustment .....	<b>1,145,081.00</b>
Reserve for taxes .....	<b>226,378.07</b>
Reserve for all other liabilities .....	<b>186,703.50</b>
Capital .....	<b>\$1,000,000.00</b>
Surplus .....	<b>3,235,723.81</b>
Surplus to Policyholders .....	<b>4,235,723.81</b>
TOTAL .....	<b>\$13,293,832.19</b>

\*Valuations on basis approved by National Association of Insurance Commissioners. Securities carried at \$510,770.60 are deposited as required by law.

## Monarch Fire Insurance Company

Corporate Office: 320 Bulkley Bldg., Cleveland 15, Ohio

Chief Office: 19 Rector Street, New York 6, New York

### FINANCIAL STATEMENT — December 31, 1950 (New York Basis)

Assets	
*Bonds	
Government .....	\$2,563,637.00
Railroad .....	50,200.00
Public Utilities .....	322,521.04
	<b>\$2,936,358.04</b>
*Stocks	
Railroad .....	\$ 25,100.00
Public Utilities .....	487,957.00
Bank .....	151,205.00
Industrial and Miscellaneous .....	381,739.00
	<b>1,046,001.00</b>
Cash and bank deposits .....	<b>410,071.85</b>
Premium balances receivable not more than 90 days past due, less reinsurance premiums due to other companies .....	<b>102,797.50</b>
Reinsurance recoverable on paid losses due from other companies .....	<b>189,404.40</b>
Other admitted assets .....	<b>17,226.13</b>
Total Admitted Assets .....	<b>\$4,797,919.07</b>

Liabilities	
Unearned premium reserve .....	<b>\$2,276,212.64</b>
Losses in process of adjustment .....	<b>345,143.00</b>
Reserve for taxes .....	<b>71,260.85</b>
Reserve for all other liabilities .....	<b>27,784.30</b>
Contingency reserve .....	<b>\$ 29,970.04</b>
Capital .....	<b>\$19,336.00</b>
Surplus .....	<b>1,228,203.84</b>
Surplus to Policyholders .....	<b>2,077,518.88</b>
TOTAL .....	<b>\$4,797,919.07</b>

\*Valuation on basis approved by National Association of Insurance Commissioners. Securities carried at \$210,000.00 are deposited as required by law.

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## Ashton Named New Head of Midwest Agents Conference

N. A. I. A. Unit Has  
Valuable, Well-Attended  
Session at Memphis  
By LEVERING CARTWRIGHT

MEMPHIS — The season for territorial conferences of National Assn. of Insurance Agents got off to a splendid start at Memphis this week, from the standpoint of attendance, quality of program, seriousness of purpose, and good fellowship, when the Midwestern Conference held forth under the direction of Arthur M. O'Connell of Cincinnati, the chairman. Some 500 local agents, with a good sprinkling of company and organization men, followed the proceedings intently for two full days and then relaxed Tuesday evening for the banquet and attendant fun.

J. L. Ashton of the potent Leedom, O'Connor & Noyes agency, Milwaukee, takes over as the new midwestern chairman and the 1952 meeting will be held in his city. The 1953 meeting will be at Detroit.

New vice-chairmen include Howard Huttenlocher of Pontiac, Mich., Kenneth Ross of Arkansas City, Kan., and A. G. Harrison, Louisville, Ky. Secretary is T. K. Robinson of Memphis and treasurer is Val Gottschalk of Milwaukee.

Most significant feature of the convention was the appearance of E. L. Williams, president of Insurance Executives Assn., at the Monday afternoon session. In his seven years as head of I.E.A. he had made practically no previous public talks before insurance audiences. Hence what he had to say on this occasion was weighed word by word and sentence by sentence by his listeners. His paper obviously had been composed



A. M. O'Connell



J. L. Ashton

in measured terms and his message undoubtedly was directed as surely to company eyes as to the ears of his Memphis local agency audience. Due to the importance of this presentation THE NATIONAL UNDERWRITER is presenting it virtually in full in this edition.

Mr. Williams' underlying counsel, as much or more to the companies as to the agents, is to cling to principle, abhor expediency, act courageously, and strive for objectivity. He went, however, far beyond expounding general principles and treated in comprehensive and specific fashion just about every topic of

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### ADDRESSES MIDWEST AGENTS

## E. L. Williams Tells His Fire Insurance Philosophy

THE NATIONAL UNDERWRITER prints herewith the text of the talk of Edward L. Williams, president of Insurance Executives Assn., at the Midwest Territorial Conference of National Assn. of Insurance Agents at Memphis this week. This is the first public address of Mr. Williams, and as such is of great interest to those in the business. His talk was entitled "The Sovereignty of Principles."

With a somewhat pretentious title, I hope I shall not disappoint you in emphasizing some simple truths. I believe they are among the principles which are of the nature of the fire insurance business. My thesis is that



E. L. WILLIAMS

the conduct of the business should be such as is inherent in, and according to, its nature.

I do not pose as a fire insurance expert but with more than eight years of study, and access to the ablest company men in the business, I feel I know something of its principles, practices and problems. My duties require detached and objective consideration of them, and since one of the reasons for Insurance Executives Assn. was a request by your National association for an organization of senior fire company executives with whom major matters of nationwide import could be discussed, and its activities may affect you, and I am associated with it, something of the philosophy of my convictions may be of interest.

### Philosophy in Every Business

Philosophy is often mistakenly assigned to the realm of the abstract, perhaps the ideal, but not always the practical. Actually it is directed to the nature of all things. Under whatever name, it seeks those principles which are sovereign in directing evolutionary conduct. There is a philosophy of every business. Each of you has his philosophy of fire insurance. If that philosophy is complete, it is a systematic body of general conceptions with the implication of their practical application. Those conceptions will include the nature of fire insurance as an economic device, the nature of the medium in which it is operated, and the nature of the man who operates it. Such conceptions are of both the ideal and the practical.

A peach is the fulfillment of the nature

of a peach tree. Perfection in fruition will be approached to the degree the tree functions according to its nature. Fruition will be affected by the surroundings of the orchard and the care of its owner.

Doctors know ideal health to be unity in natural functioning. They know disease as unnatural functioning, and that cure lies in determining the nature of that malfunctioning and correcting it, with the treatment of symptoms as incidental. They know the necessity of judging a remedy not only for its immediate effect in a specific set of circumstances, but its effect, present and future, upon natural functioning as a whole.

### Danger in Expediency

A business is truly free only if conducted according to the principles of its nature. To determine those principles, objectivity and a certain detachment in approach, integrity of purpose, intelligent study, and persevering courage are essential. The ideal will not always be immediately attained, but the true ideal is never wrong, and continuing effort toward its attainment will be wisely self-serving. No conduct contravening the ideal will result well. The practical is the ideal in natural action. There is inherent danger in mere expediency. Expediency, unless forced by circumstances beyond control, often comes from lack of integrity or lack of courage. Opportunism has its dangers.

Every business affects and is affected by other businesses. The medium in which a business is conducted is an element of its nature and must be harmonized with other elements. The aspects of the medium are manifold. They include the economic, social, political and legislative philosophies of the past and of the times.

The human element permeates all business and all mediums, and the principles of the conduct of man are elements of all business. I believe that the nature of man is good, not bad; and that by nature he wants to do the right thing, at the right time, and in the right manner. Man errs because he is a complexity of selves, with many and varying emotions, motives and desires continuously interplaying. Domination by each in some circumstances may be proper, but not in all circumstances. Man errs when there is improper domination by one or more. "Render unto Caesar" was far more than an admonition to pay a Roman tax; it emphasized the inherent necessity for relativity and proper proportion in the thoughts, emotions and actions of man. Searching one's self often reveals the right or wrong. In searching, a detachment with awareness is essential. The unity in life is such that action upon principle by one stimulates like action in others. The individual action of men and of companies, and the cooperative action of groups of men and companies, are elements of the nature of our business. Cooperative action is my primary interest. It can be so constructive that one who does not participate will deny himself a privilege.

### Implications of S.E.U.A. Case

The South-Eastern Underwriters case struck at the vitals of the fire insurance business, particularly its cooperative aspects. Shortly after the institution of the case it became increasingly

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## Few Controversial Insurance Measures in N. Y. Legislature

Results in Session Now  
Near Close Are  
Generally Satisfactory

NEW YORK—Few fire and casualty bills were vigorously opposed or supported by the insurance business in the 1950 session of the New York legislature, which is driving to finish this week. A number of automobile insurance bills included one that prohibits issuance of motor vehicle registration certificates to persons under 21 unless they file 5/10 bodily injury liability policies. This was passed and has gone to the governor. The insurance business looks upon it rather quizzically. The experience on young drivers indicates the need for special treatment of this class, but in effect it is compulsory insurance on this segment of the population.

The legislature killed the bill that would have doubled to 10/20 the limits for auto financial responsibility. One measure that had passed one house early in the week exempts from the requirement of F.R. proof operators or owners of motor vehicles parked or standing at the time of the accident. This had considerable support because it takes care of an inequity in the F.R. law.

Several measures that would have applied statutory prohibition to discrimination in the sale of all kinds of insurance and in employment by insurers, on account of race, creed or color, were all lost in the final days.

### Domestication of Alien Insurers

A measure passed and sent to the governor provides for domestication of U. S. branches of alien insurers, by agreement in writing for assumption by domestic insurer, and the filing with the insurance superintendent of an instrument of transfer and assumption for his approval.

The Senate resolution was passed extending to April 1, 1951, the time for a report from the committee created to study the advisability of establishing an unsatisfied auto liability judgment fund.

The bill passed both houses that requires agents of the motor vehicle bureau to buy burglary and theft insurance to protect funds collected from motor vehicle registrations.

The bill to provide workmen's compensation benefits for civil defense volunteers has stirred up the opposition of employers over the state. This was alive at midweek. Self-Insurers Assn. issued a bulletin calling attention to the fact there has been serious question whether employers are liable for compensation for injuries to employees while at work as a result of a hostile attack. Many contend they are not liable. Under the civil defense law an employer is required to assign at least one employee to civil defense work for each 25. Thus coverage would be extended to at least 4% of employees even if injured as a result of an act of war.

### Two Surety Bills Fail

Two bills of interest to the surety business failed. One provided indefinite designation by corporate sureties of a

(CONTINUED ON PAGE 19)

## House Group Hears Wicker Argue Mutual Tax Position

WASHINGTON—John J. Wicker, Jr., representing American Mutual Alliance, testified before the House ways and means committee March 15 in "Reply to Attacks on the Tax Status of Mutual Fire and Casualty Companies."

Mr. Wicker commented that while he spoke as counsel only for the Alliance companies, his material applied to mutual fire and casualty insurance generally.

Inasmuch as the Treasury has not recommended any change in the law under which mutual fire and casualty companies "have been paying very substantial federal income taxes each year since 1942," Mr. Wicker said it might appear unusual or even unnecessary to discuss the tax status of the mutuals, but added that "unfortunately, some vicious attacks have been made upon the tax status of these mutuals. There have been many misrepresentations and distortions of facts, not only before your committee, but also by circulars and publications, as a part of a nation-wide campaign designed to flood the Congress and the general public with anti-mutual propaganda."

### Want to "Destroy Competition"

Mr. Wicker said that the purposes of the campaign are to undermine public confidence in mutual insurance and to "weaken, if not destroy, the wholesome competition now existing between the mutuals and stock insurance companies."

"This campaign involves such devices as insinuating that those who become mutual insurance policyholders are helping to advance the cause of communism and socialism," he charged, stating also that one purpose is to high-pressure Congress into ignoring the fundamental differences between mutual and stock companies in the hope that the mutuals will "be saddled with an unfair tax burden, with the further hope that the present exemption of the very small mutual insurance companies will be wiped out."

Mr. Wicker presented statistics to show that Alliance companies had paid an aggregate tax of more than \$62 million during the seven-year period 1943-1949, the 1949 tax being in excess of \$13 million.

### Statement a "Half Truth"

He said that the statement "80% of all mutuals are exempt from taxation," is a half truth that is more misleading than an absolute falsehood. "While many small mutuals, usually farm mutuals, are tax exempt and aggregate about 80% of the number of all mutual fire and casualty companies, it is also true that the premiums written by these companies combine to count for less than 3% of the total premium volume of mutuals, he explained. The companies writing more than 97% of the mutual premiums are not tax exempt, and Mr. Wicker said that this means that though 80% of the number of mutuals are exempt from taxes, 97% of the premium volume is taxed substantially.

The only mutuals exempt are those whose gross receipts do not exceed \$75,000 a year, and the average gross income of the small mutuals from every source in 1948 was less than \$18,000 a year.

### Have a Tax Floor

There are certain important fundamental differences between mutual and stock companies, Mr. Wicker said, and Congress recognized these differences when it devised the tax plans for insurance companies. Mutuals subject to tax either are taxed at the regular corporation rates on net investment income, or take a 1% tax of total gross income from interest, dividends, rents, net capital gains and of gross premiums. They

must compute the tax by both methods and pay the larger of the two. Consequently, the mutuals have a substantial income "tax floor."

Neither the stock insurance companies nor any other substantial group of taxpayers has any such income tax floor, Mr. Wicker declared.

The stock companies are taxed only on net profits, after first deducting all losses and operating expenses and any dividends to policyholders. Mr. Wicker said that this produces a variation in the stock company tax, producing somewhat "the result which would be expected. When stock insurance tax is increased, there are loud complaints about federal income tax discriminations; when stock insurance taxes are low, then the complaints quiet down."

### "Propaganda in High Gear"

"Hostile propaganda against the tax position of mutuals has gone into high gear during the last two years, when many stock companies made profits which, while entirely legitimate, were greater than any in their previous histories," Mr. Wicker declared. "Years like 1946 and 1947, when mutual taxes were relatively much higher than those of stock fire casualty insurance companies, were years when the anti-mutual propagandists spoke only in whispers," he said.

The statistics produced before the committee by William E. Webb, Jr., local agent of Statesville, N. C., were relied upon and quoted from by several witnesses speaking later on behalf of National Tax Equality Assn., which Mr. Wicker characterized as "the notorious anti-mutual propaganda organization which was forced to admit that it paid no taxes on its own income of more than \$600,000 annually."

The Webb statistics were unfair and misleading, Mr. Wicker charged, in that they completely ignored mutual refunds to policyholders thus artificially inflating the earned premiums and so-called underwriting profits. They also included a substantial amount received by some mutual companies writing only A. & H., and they also ignored the substantial income taxes incurred on approximately 80% of the mutual policyholder refunds, "the inclusion of which would have shown that the mutual premium dollar produces even more federal tax revenue than the stock premium dollar."

### Cites Webb Statistics

Mr. Wicker used some of the Webb statistics to refute the arguments given the committee previously, and noted that for the period 1943-49 stock fire companies, although governed by the same federal income tax laws, paid only 16.8% of their total profits, which was approximately one-fourth less than the 21.5% paid by stock casualty companies.

"When such substantial tax differences between different groups of stock companies, under identically the same section of the tax law, are not regarded as evidence of tax discrimination or tax inequality, no one can reasonably argue that tax differences between stock companies on the one hand and mutual companies on the other hand are any evidence of tax inequality or unfair discrimination," Mr. Wicker remarked.

### Mutual Taxes Higher

He went on to show that in some years the mutual fire companies have paid as a group, relatively higher federal income taxes than the stock fire companies in certain years, and alluded to Mr. Webb's statement which "attempted to explain away these higher mutual payments in some years by stating: 'the only year in the seven-year period studied in which the fire insurance business was close to normal was the year 1949.' As a matter of fact, in 1949 the stock fire insurance companies' profits were so great that in that year alone they incurred as much federal income tax as they had during the six previous years combined.

Mr. Wicker commented that great differences in tax payments may develop between stock companies with approxi-

## \$64½ Million for American Group

American, Columbia Fire and Bankers Indemnity, comprising the American group, wrote net premiums of \$64,582,591 for 1950, an increase of \$2,822,560 over 1949, B. C. Vitt, president of the parent organization announced.

Assets of the group rose to \$128,145,413, a gain of \$14,016,175, and surplus advanced by \$6,039,890 to \$38,160,119.

American achieved an underwriting profit of \$871,261, Mr. Vitt stated, despite a catastrophic loss year highlighted by the November windstorm which made it necessary to process more than 32,000 claims.

American wrote premiums of \$51,750,836 for a gain of \$2,648,511.

The loss and loss adjusting expense ratio was 56.6. The ratio of other expenses was 38.2.

Premiums written by Bankers Indemnity amounted to \$10,932,356. The loss and loss adjusting expense ratio was 67.6 and expense ratio 42.3, reflecting the continuing impact of inflation on automobile and liability loss costs and claim adjustment expenses, coincident with a marked increase in accident frequency.

There was an underwriting loss of \$287,163 on a consolidated basis. Net investment income for the group was \$3,678,492.

## Minn. Standard Policy Measure Moves Along

ST. PAUL—What is regarded as the most important insurance bill in the present legislature—the revised Minnesota standard policy—has been reported out favorably by the house insurance committee.

The bill incorporates features of both the present Minnesota standard policy and the New York policy. Under it inland marine coverage "need not be in accordance" with the proposed new policy "or any standard fire insurance policy provided for by law." This is covered in another bill which also has been reported favorably.

The bill provides for a coinsurance clause regardless of the amount of the risk and makes certain changes regarding appraisal of insured property.

Another measure permitting township mutuals to write explosion, riot, civil commotion, aircraft and smoke coverage has been recommended to pass in both houses and the same is true of another bill permitting township mutuals to write country locker plants and contents.

The Licking County (O.) Mutual Fire & Lightning has been merged with Ohio State Grange Mutual.

mately the same business volume, even though they are subject to the same identical tax law.

Mr. Wicker said the sole purpose of his statement was to refute "the unfair and misleading attacks which have been made" upon the tax status of the mutuals. He said that while it is true that mutuals are taxed on a different basis from stock companies, that fact does not prove that the different methods of taxing result in tax inequality, tax discrimination, or any "loop-hole" in the federal tax laws. On the contrary, he said, the different bases of taxation exist because of "the very real and fundamental differences between stock insurance companies on the one hand and mutual insurance companies on the other hand."

## Pearl Income and Assets at New High

The premium income and assets of the Pearl-American group made new high records in 1950. Net premiums written by the three companies aggregated \$16,778,898, an increase of \$1,553,883, or 10.2%, as compared with 1949, and assets were in excess of \$36 million of which over \$13½ million represented policyholders' surplus. Assets increased almost \$2,750,000.

The loss ratios showed a considerable rise reflecting the windstorm record. Gross losses of the group in the Nov. 25 storm were \$750,000.

A further reduction was recorded in the expense ratios.

In Pearl Assurance the ratio of losses and loss adjustment expenses incurred to premiums earned was 50.93 against 42.87 for 1949, but the ratio of expenses incurred to premiums written declined from 47.45 in 1949 to 46.11 in 1950.

The ratio of losses and loss adjustment expenses incurred to premiums earned for Eureka-Security was 51.55 in 1950 as compared with 44.11 in 1949. The expense ratio was 46.20 in 1950, an improvement of 1.16 points.

Monarch Fire ended up with a loss ratio of 50.93 for 1950, while the corresponding figure for 1949 was 42.75. The expense ratio declined from 47.24 in 1949 to 46.11 in 1950.

## General, Seattle, Chicago Area Sales Meet Draws 100

General of Seattle held an agency meeting in the Union League Club at Chicago with about 100 agents from the metropolitan area attending. The program, which included luncheon and a tour of the newly-modernized Chicago office into which the company recently moved, consisted of a number of talks outlining sales tips.

John B. Scurry, resident vice-president at St. Louis, gave a short history of the company, reviewing in particular the past year's operations. C. H. Rasmussen, manager of central division, St. Louis, in his talk, illustrated by charts, showed the factors agents take into consideration when choosing a company. George W. Martin, Chicago office production manager, spoke on "Time-itis," explaining how an agent can use his time most advantageously. Vic J. Brus was chairman of the meeting.

## Add to Southern Card

Ed J. Bachman, Minneapolis, chairman of the insurance committee for tax equality, and Arthur M. O'Connell, Cincinnati, chairman of the National Assn. of Insurance Agents property insurance committee, have been added to the program of the Southern Agents Conference at Palm Beach, Fla., April 5-7.

Mr. Bachman will address the closing session on "Insurance and Tax Equality." Mr. O'Connell will lead a forum on subjects being considered by his committee. George T. Bowler, president of Insurance Agents Assn. of the Palm Beaches, has announced a style show and a boat trip and luncheon as part of the entertainment for ladies.

## Discuss Scranton School Hike

SCRANTON, PA.—Representatives of Lackawanna Valley Underwriters Exchange met with the Scranton school board to discuss a proposal to increase the district's fire insurance from \$7½ million to about \$16 million.

A resolution setting up the new schedule was adopted by the board last year following a resurvey of values of the district's 54 buildings and their contents.

Action to put the program into effect has been held up, however, pending a full discussion of the proposal.

Insurance Women of Erie, Pa., held a luncheon meeting with Dr. Carl B. Lechner, Erie physician, as speaker.



THE  
**Crum and Forster**  
GROUP

FINANCIAL STATEMENT AS OF DECEMBER 31, 1950

ASSETS

	UNITED STATES FIRE INS. CO.	NORTH RIVER INS. CO.	WESTCHESTER FIRE INS. CO.	ALLEMANIA FIRE INS. CO.	U.S. BRANCH WESTERN ASSURANCE	U.S. BRANCH BRITISH AMERICA	SOUTHERN FIRE INS. CO.
Cash in Banks & Trust Companies	\$10,035,963	\$ 4,954,825	\$ 6,705,107	\$ 1,717,361	\$ 854,023	\$ 554,032	\$ 845,219
United States Government Bonds	35,762,969	21,292,812	21,265,597	5,263,351	6,213,755	3,250,010	1,745,721
Other Bonds and Stocks	25,666,979	19,560,073	18,619,444	2,769,271	1,028,566	1,114,761	1,610,577
Mortgage Loans on Real Estate	4,600	21,720	171,873	33,647	.....	.....	.....
Real Estate	.....	1,000	37,000	117,683	.....	.....	.....
Premium Balances Receivable (Not over three months due)	4,414,270	2,854,427	2,898,668	582,469	629,038	351,655	422,875
Bills Receivable, Not Due	649,604	236,125	383,533	4,845	50,022	4,252	3,372
Interest Accrued	164,963	75,729	72,811	18,514	12,362	7,551	10,116
Other Assets	1,478,096	437,187	1,076,006	120,761	233,831	51,542	35,696
<b>Total Admitted Assets</b>	<b>\$78,177,444</b>	<b>\$49,433,898</b>	<b>\$51,230,039</b>	<b>\$10,627,902</b>	<b>\$ 9,021,597</b>	<b>\$ 5,333,803</b>	<b>\$ 4,673,576</b>

LIABILITIES

Reserve for Unearned Premiums	\$30,240,155	\$17,729,980	\$19,237,605	\$ 4,157,074	\$ 3,392,933	\$ 1,871,667	\$ 2,119,101
Reserve for Losses and Loss Expenses	8,548,169	5,577,007	6,472,817	1,056,559	1,271,793	655,648	432,582
Reserve for Taxes and Expenses	2,287,700	1,535,200	1,699,500	301,752	358,400	185,200	128,880
Other Reserves	1,651,024	801,861	949,700	215,143	189,658	87,103	73,146
Capital	2,000,000	2,000,000	2,000,000	1,200,000	†500,000	†500,000	500,000
Net Surplus	33,450,396	21,789,850	20,870,417	3,697,374	3,308,813	2,034,185	1,419,867
Surplus to Policyholders	35,450,396	23,789,850	22,870,417	4,897,374	3,808,813	2,534,185	1,919,867
	<b>\$78,177,444</b>	<b>\$49,433,898</b>	<b>\$51,230,039</b>	<b>\$10,627,902</b>	<b>\$ 9,021,597</b>	<b>\$ 5,333,803</b>	<b>\$ 4,673,576</b>

★Securities in statements include amounts deposited with various states, as required by law, in the following amounts: United States Fire, \$3,819,401; North River, \$2,569,216; Westchester Fire, \$2,248,110; Allemannia Fire, \$245,000; Western Assurance, \$690,066; British America, \$678,031; Southern Fire, \$275,724.

†Statutory Deposit.

On the basis of December 31, 1950, Market Quotations for all Bonds and Stocks owned, the Total Admitted Assets and Surplus would be increased by the following amounts: United States Fire, \$509,253; North River, \$323,177; Westchester Fire, \$349,186; Allemannia Fire, \$98,916; Western Assurance, \$38,055; British America, \$17,759; Southern Fire, \$48,568.

**CRUM AND FORSTER, Manager**

110 WILLIAM STREET, NEW YORK CITY

WESTERN DEPARTMENT    SOUTHERN DEPARTMENT    VIRGINIA-CAROLINAS DEPARTMENT    PACIFIC DEPARTMENT    ALLEGHENY DEPARTMENT  
FREEPORT, ILLINOIS    ATLANTA, GEORGIA    DURHAM, NORTH CAROLINA    SAN FRANCISCO, CALIFORNIA    PITTSBURGH, PENNSYLVANIA

## N. Y. Case on Return Commissions Is of National Interest

### Hold That Broker Earns Full Commission When Policy Is Sold

The New York court of appeals has affirmed a lower court ruling in *Western National vs. Haph Brokerage, Inc.*, of New York City and has put the seal of judicial authority on the idea that brokers have earned their full commission at the policy sale, even though the company makes a policy change during the policy term, if the change is not brought about by an act of a broker. Company executives are now studying the problem carefully.

The ruling, which was given without oral or written opinion with all justices concurring, means in effect that a broker who receives his commission on policies providing for fixed premiums is not obligated legally to refund to the insurer his commission if the policy is cancelled.

Heretofore the experience of the companies generally has been good. That is, their losses have made this a run-of-mill business risk. If the decision builds up the problem, however, the companies may have to call for a return of commission agreement on large lines where they could be hit heavily. Such an agreement is customarily used where premiums are paid by installment.

The decision has attracted national interest.

The insured in this case requested a short rate cancellation on his policy, and after the short rate gross return was made, *Western National* asked for a return commission from *Haph Brokerages*.

#### Action in Lower Courts

The brokerage firm was upheld in the lower courts, and the case picked up *amicus curiae* as it advanced to the higher stages. Insurance Brokers Assn. of New York filed a brief as did Brooklyn Insurance Brokers Assn., and Eastern Underwriters Assn.

The attorney for *Western National* cited *American Steam Boiler vs. Anderson* in which the court had stated that "the policies of insurance were made subject to the right reserved to the assured of surrendering them and having a rebate and reimbursement pro tanto of the premiums paid; and this without prejudice to the defendants since they had fully performed the services of creating the relation of insurer and insured. This is all they undertook to do for their stipulated compensation."

In the *Anderson* case the company recovered the commission on the unearned portion of premium, but in this case the agent had induced the insured to cancel, and the court called this a failure of the consideration for which the premium had been paid.

That case had been understood to mean that had it not been for the agent's act of inducing the insured to cancel, he would have been permitted to retain the commission on the full annual premium as against the company's claim for a refund following its gross return to the insured. *Western National* argued that this was not the correct interpretation, stating that the agent having knowledge of the cancellation clause must have contemplated the possibility of cancellation.

E. U. A. in its brief argued that since commissions are an integral part of the expense factor, any increase in this element of cost to the companies will be reflected in the rate structure. The short-rate cancellation tables, E. U. A. stated, show that the rate

on which a premium is based bears a relationship to the term of the policy. The effect of the cancellation clause and the application of the short rate table to a cancellation made by the assured is the same as if the insured had bought, received and paid for insurance on the shorter term. E. U. A. pointed out that if on a premium of \$1,000, the policy were cancelled after 10 days, on the short rate retention percentage of 10%, the return to the insured would be \$900, and if the broker were permitted to retain a commission of \$150, figuring 15% commission, the company would have to pay out \$50 more than the gross premium.

This hardship, E. U. A. continued, would be even more pronounced if the cancellation had to be made on a pro rata basis at the end of 10 days.

### Would Prevent Agents from Using "Adviser" Title Under Tex. Licensing Proposal

Dwight W. Sleeper, chief consultant of Insurance Buyers Council, has written Commissioner George Butler of Texas, suggesting that in Mr. Butler's proposed licensing law for insurance advisers it would be a matter of equity, if licenses are given to insurance advisers as such, that no insurance agent or broker should be permitted to advertise himself as an insurance adviser unless he has a license.

Mr. Sleeper states that agents or brokers in dealing with customers necessarily have to form opinions and make recommendations, but if Texas intends to recognize the business of insurance adviser by adopting laws and regulating the practice and licensing of them, then the adviser is entitled to protection in his practice by having the title of adviser reserved to those who are legally authorized to hold themselves out to the public as such.

Mr. Sleeper goes on to say that he favors a law which will permit the commissioner to license an applicant only with respect to the kinds of insurance for which the board finds him qualified by knowledge and experience. A license might be issued to practice life only, or fire or casualty, or all lines, if qualified.

He also urged that Texas permit duly qualified, non-residents to practice as advisers under the same requirements applying to residents.

The law to provide for licensing, Mr. Sleeper says, is "more likely to be promoted by the insurance agents and companies," but he suggests that the department determine the attitude of the buyers.

Finally, Mr. Sleeper said he hopes the department will recognize that the adviser must necessarily deal with buyers who may have a preference for stock or mutual, or reciprocal or Lloyds types of coverage, and the proposed law should have nothing in it which would tend to penalize an adviser who approves of use of any company licensed to operate in the state.

### Garvin Made Conn. Deputy

Commissioner Allyn of Connecticut has appointed Edward T. Garvin deputy commissioner. Mr. Garvin, who has been serving for several months as acting deputy, will continue as liquidation agent of receiverships in the department. He has been with the department 19 years.

Employees of the department feted the two department heads. Mr. Allyn received a man's club bag, and Mr. Garvin a traveling bag.

### Four Minn. Hail Meetings

Four hail panel meetings have been arranged in Minnesota, March 26 at Sleepy Eye, March 27 at Worthington, March 28 at Montevideo and March 29 at Fergus Falls. The 1951 hail contract will be explained. George Hansen, Rain & Hail Insurance Bureau, will speak on contractual stipulations; Coy Cochrane, Home, on coverage, and L. A. Rutherford, Fireman's Fund, on loss procedure.

## Federal Hits New Highs in 1950

Net premiums written by Federal and its wholly-owned subsidiary, Vigilant, increased almost \$3 million in 1950 and totaled \$20,291,587 as against \$17,304,242 in 1949, Percy Chubb II, president, stated in the company's annual report.

The 1950 figure was a new high as were the figures for premiums earned, assets and surplus to policyholders. Underwriting profits, he reported, were not as favorable as in 1949, reflecting conditions in the industry in general. The underwriting income for the year amounted to \$1,028,596 after provision for federal income taxes as compared with \$1,852,533 in 1949. Net investment income after federal income taxes increased during the year almost \$200,000, making total net income after taxes \$2,211,001, as against \$2,847,523 in 1949. The report noted that total assets increased from \$50,418,434 to \$57,344,068 and surplus to policyholders increased from \$24,576,735 to \$29,076,451.

### G.A.B. Booklet Tells of Phoenix Catastrophe Setup

General Adjustment Bureau has printed a booklet entitled "Adjusting in Action," which relates the catastrophe operation of G.A.B. during and after the storm at Phoenix, Ariz., Sept. 18.

The booklet tells how the catastrophe operation processed 7,000 claims in 60 days involving a paid loss in excess of \$2 million. First payments to policyholders were made by the companies within five days. At the peak of the operation 42 adjusters were working full time. G.A.B. had its catastrophe office in operation 48 hours after the storm, and had sent a preliminary report to member companies within three days. This was a storm that lasted 22 minutes and caused total property damage of more than \$3½ million. It resulted from a combination of wind, hail and rain. It was one of the worst disasters in Arizona history, and the greatest ever at Phoenix.

In two days G.A.B. had set up a completely equipped storm office separate from the regular office at Phoenix. Conferences were held with roofers, contractors and other workmen, and prevailing prices were agreed upon. It was agreed with the mayor to waive the necessity of building permits and their cost on all repairs of \$2,000 or less. The city was divided into zones and adjusters assigned to each area according to the damage. A Los Angeles firm was contacted and supplied 20 aluminum ladders which the men carried on the tops of their automobiles to inspect roof damage.

The local agents were cooperative, buying newspaper advertisements to help acquaint the public with the adjusting task.

### N. W. Mutual Fire Rally

A week of special meetings of division executives, department managers, and claim managers of Northwestern Mutual Fire with home office officials was held at the home office. There was a review of the company's operations during its 50th year and discussion of future plans by L. D. Brill, president, and Alfred Rode, vice-chairman and general counsel. In addition, all phases of field work, claims and underwriting were discussed.

### C.P.C.U. Study at Sacramento

Weekly classes are being held at Sacramento in preparation for the C.P.C.U. examination in June. The members are largely agency personnel. John J. Callahan, Pacific Employers, Sacramento, is supervising the sessions.

Harold H. Johnson, formerly with Tennessee Inspection Bureau, has gone with the Dayton K. Phillips agency at Chattanooga.

## Wylie F.U.A.P. Head; Nearly 650 Attend

SAN FRANCISCO — Nearly 650 fire insurance executives were on hand for the banquet that concluded the annual meeting here of Fire Underwriters Assn. of the Pacific. Seated at the speakers' table, along with R. B. Masters, Security, outgoing president, and John M. Wylie, Springfield Fire & Marine, the newly-elected president, were several insurance commissioners from the far western states, and many top insurance officials from the east.

Speakers the final day were Ellsworth E. Simpson, St. Paul companies; Leonard H. Collier, American International Underwriters, and Percy P. Lynch, Great American.

Speaking on "Untangling Multiple Lines," Mr. Simpson advocated a deferred premium plan for multiple line "package deals," and also a flat rate of lesser commission on this type of sale. He went into the technical and complex problems involved in interstate coverage — those plans which he said "require a thousand signatures."

Mr. Collier, discussing "International Underwriting," told of practices common to his company that would be extremely radical when compared with the procedures of domestic companies. He stressed that there is a need for American insurance in foreign fields, pointing out that American business must have the protection of the American dollar on its investments.

In a highly technical talk, "The Additional Extended Coverage Endorsement," Mr. Lynch told of the development of such endorsements, their capacities, their advantages and disadvantages to the underwriter, and their general effect on the insurance buying public.

In the election of officers, with Mr. Wylie succeeding Mr. Masters, John E. Clark, American, was named as vice-president. Harry L. Simpson and George H. Whitney were reelected secretary and treasurer, respectively.

### Hyde Perce in New Post

Hyde Perce, who was insurance editor of the Chicago Journal of Commerce until that paper was acquired by the Wall Street Journal and the insurance department discontinued, is now with the Carl Boyer advertising and publicity agency in Chicago. His particular assignment is in connection with the institutional program of the fire and casualty mutual companies to celebrate in a big way during 1952 the 200th anniversary of the founding of mutual insurance in the United States.

### Plan Canon City Assn.

Directors of Colorado Assn. of Insurance Agents are meeting with local agents at Canon City March 15 to discuss the possibility of inaugurating an agents association there.

### Point on B.I. and Priorities

One point made by rating bureaus and companies in connection with the priorities situation and business interruption is that there was first an exclusion of the risk of additional loss resulting from priorities. Then the companies issued the priorities assumption endorsement for an additional premium. Consequently, in the basic policy, companies by their action indicated they had no doubt the contract language was such as to cover this additional risk.

### In New Sacramento Building

The Sacramento, Cal., service office of Fireman's Fund has moved into a new building especially built and leased to the company, which has all the modern improvements. It is the company's second largest service office in California, and is manned by a staff of 14, headed by Charles Brown, special agent, who has worked in the Sacramento valley for 25 years.





*Do you realize what can happen when you run an electric cord under a rug? Friction from walking on the rug wears the insulation off the wires. The bare wires cause a short circuit . . . and a fire. Guard against this risk by having enough electric outlets installed—and have them installed by an expert electrician who understands safety requirements.*

## ÆTNA INSURANCE GROUP

AETNA INSURANCE COMPANY • THE WORLD FIRE AND MARINE INSURANCE CO.  
THE CENTURY INDEMNITY COMPANY • STANDARD INSURANCE CO. OF N. Y.  
HARTFORD, CONNECTICUT



This advertisement also appears—in color—in **TIME, NEWSWEEK, PATHFINDER, U. S. NEWS and WORLD REPORT.**

*Clinton L. Allen, President*

**FOUNDED IN 1819**, the Aetna Insurance Company takes its name from the famous volcano, which "though surrounded by flame and smoke is itself never consumed." From that day to this—through wars, conflagrations and depressions—no policyholder has ever suffered loss because of failure of an Aetna Company to meet its obligations.



THINK FIRST OF THE AETNA

## Christensen in London Talk Reviews Problems in U.S.

State regulation, rating methods, multiple line powers, inflation, war exposures and personnel were among the problems of American insurance discussed by President Frank A. Christensen of America Fore in London this week. He was the featured speaker before the Insurance Institute of London and made the trip on invitation of J. W. J. Levien, central manager of Atlas As-

urance and president of the institute. Mr. and Mrs. Christensen sailed for England Feb. 23 and will be back in New York March 18.

Praising the spirit of cooperation with which the all-industry type of rate regulation by the states was evolved, he said that whether it will prove satisfactory for the needs of the business is another matter. Too close adherence by regula-

tory authorities to the letter rather than the spirit of the law may place a yoke on the business that would tend to impede normal progress and interfere with sound underwriting. In that event some modification of present regulation might be sought.

### Rating Problems Difficult

Perhaps the most difficult single problem is to make proper rates in conformity with regulatory requirements and yet meet the needs of the business. There must be adequate loss data, reliable and comparable expense information, etc., so rates won't be excessive,

inadequate or unfairly discriminatory. This presents real difficulties with the differing rate making systems, many of which were not designed to accommodate such requirements. This is because fire insurance developed as a local business and rating methods best suited to local conditions have been employed.

The business probably will need frequently to rely upon the provision in the rating laws that due consideration shall be given to a reasonable margin for profit and contingencies, he said.

He emphasized the catastrophe character of extended cover, implying that after Texas City and the 1950 big winds, particularly Nov. 25, there should be no doubt of this. Windstorms don't stop at state lines, yet regulatory officials have been reluctant to approve rates for their states with loadings to reflect loss experience in nearby states.

### Multiple Line Situation

He thinks rating methods for all classes of fire, casualty and inland marine will undergo examination in the light of multiple line operations. Many favor a national rating organization, others oppose it. Multiple line increases capacity of the business, and the normal flow of reinsurance premiums to the outside market could be slowed down, particularly if those from outside seek a temporary competitive advantage in the primary U. S. markets. To the extent that fire insurers engage in casualty, then investment latitude will be restricted because of claims reserves. The reverse is true when casualty insurers engage in fire.

Because of inflation there may be a demand for new capital in the business, he said.

A prime function of management is to provide for succession so each new management generation will be better than the last. The depression, the second war and the present one have created a personnel problem likely to cause the business great difficulty. It is more difficult in insurance because the business has not been able to sell the idea of insurance employment as a career opportunity. That may be because the business as a big one is relatively young in the U. S.

### Western Adjustment Opens New Chicago Branch Office

In accordance with the previously announced decentralization plan, the midcity branch of Western Adjustment has been opened at 3932 West Madison street, Chicago, with S. L. Bassett as manager. The office occupies the entire second floor of a newly constructed building with suitable quarters. This move includes about 60% of the personnel formerly located at the Cook county headquarters in the Insurance Exchange building.

Mr. Bassett has been with Western since 1934 having served at the head office, Aurora, La Salle and Waukegan, Ill. For the last four years he has been senior staff adjuster in the Cook county branch. Eleven other seasoned adjusters will operate out of the new branch handling automobile, inland marine and general classifications of adjustments.

Within a short time the second step of the decentralization program will be taken, with the opening of a new office at Evanston to handle adjustments in the north and northwest suburban areas of Cook county. The Evanston office will be in charge of manager E. H. Busch. He has been with Western since 1938, having served in the head office and the Chicago south side branch. He served 3½ years in the marines.

W. Harold Leonhart, president of Leonhart & Co., reinsurance brokers of Baltimore and New York, is marking his 30th year in insurance. Mr. Leonhart, who is only 45, is presently taking a two weeks' visit to London Lloyds. He started as an office boy with the J. Ramsay Barry & Co. agency. Now his company occupies its own building only a few doors away at South and Water streets, Baltimore.

## Fiftieth

## ANNUAL STATEMENT

DECEMBER 31, 1950

### ASSETS

United States Government Bonds . . . . .	\$19,562,182
All Other Bonds . . . . .	1,996,996
Preferred and Guaranteed Stocks . . . . .	3,850,299
Common Stocks . . . . .	14,032,402
Capital Stock of Vigilant Insurance Company . . . . .	4,869,786
Cash . . . . .	6,320,855
Premiums Receivable not over 3 months due . . . . .	2,445,086
Other Assets . . . . .	759,849
<b>TOTAL ADMITTED ASSETS . . . . .</b>	<b>\$53,837,455</b>

### LIABILITIES

Unearned Premiums . . . . .	\$12,613,395
Outstanding Losses and Claims . . . . .	5,819,850
Dividend Payable . . . . .	340,000
Taxes and Expenses . . . . .	1,936,417
Funds Held under Reinsurance Treaties . . . . .	741,627
Non-Admitted Reinsurance . . . . .	3,309,715
<b>TOTAL LIABILITIES, EXCEPT CAPITAL . . . . .</b>	<b>\$24,761,004</b>
Capital Stock . . . . .	\$4,000,000
Surplus . . . . .	19,340,960
Unrealized Appreciation of Investments . . . . .	5,735,491
<b>SURPLUS TO POLICYHOLDERS . . . . .</b>	<b>\$29,076,451</b>
<b>TOTAL . . . . .</b>	<b>\$53,837,455</b>

Investments carried at \$1,531,695 are deposited with government authorities as required by law.

### DIRECTORS

HENDON CHUBB, Chubb & Son	ALEXANDER C. NAGLE, President, The First National Bank of the City of New York
WILLIAM GAGE BRADY, Jr., Chairman of the Board, The National City Bank of New York	J. RUSSELL PARSONS, Chubb & Son
HAWLEY T. CHESTER, Chubb & Son	JOHN W. STEDMAN, Chairman of Executive Committee, St. Louis-San Francisco Railway Co.
PERCY CHUBB 2nd, Chubb & Son	LONDON K. THORNE
LEWIS A. LAPHAM, President, American-Hawaiian Steamship Company	HAROLD T. WHITE, White, Weld & Co.
EDMOND J. MORAN, President, Moran Towing & Transportation Co., Inc.	

## FEDERAL INSURANCE COMPANY

CHUBB & SON, Managers

Ocean and Inland Marine

Transportation

Fire and Automobile

Aviation Insurance through Associated Aviation Underwriters

## Stock by

Insurance

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## Stocks Trend as Indicated by Two Classes of Insurers

Insurance stocks are purchased for the long term because they are a good place to invest funds semi-permanently, and for the intermediate or cyclical term because investors feel the group will do better than stocks as a whole, Shelby Cullom Davis, New York broker specializing in insurance stocks, said in a talk before the Financial Analysts Society of Providence, R. I.

In the past eight months long term buying has been taking place in the best name insurance stocks by investors, such as pension funds, seeking a store of value for money. This store of value affords relatively absolute security of return an inevitable growth against the constantly depreciating value of the dollar. The long term buying has pushed the big five, Hartford, Continental and Fidelity-Phenix, North America, St. Paul and Fireman's Fund, into all time highs, though substantial corrections in several of these have recently occurred.

### Cyclical Buyers Scarce

However, he added, intermediate or cyclical buyers of insurance stocks have been conspicuous by their absence, until recently. They bought in 1947-48 for the typical insurance earnings cycle. Since 1949 represented a peak in underwriting profits and inasmuch as the cyclical buyer avoids peak profits as a plague (and is attracted to deficits where recovery seems certain), he turned seller in the spring of 1950, and has furnished a good supply of good grade insurance issues almost ever since.

Mr. Davis nominated insurance stocks as the best defensive issues of 1951. He sees them favored as replacements for profits taken from more volatile issues by those who fear the height of the stock market, and who fear likewise the holding of cash to wait out a reaction lest they be wrong.

Insurance stocks are an ideal haven against the perils of a vulnerable stock market, he said. Not having risen the past year, good grade, as differentiated from best name, insurance stocks are in as strong a technical position as they were in a weak position a year ago, after 22 months of better than Dow-Jones industrial averages performance. Those wishing to cash in on stock market profits assuredly would not sell insurance stocks, which appear insulated against the market reaction based upon profit taking.

### Haven from EPT

Such stocks also are a haven against the perils of excess profits tax and, relatively, against rising corporate tax rates. In the last war the fire companies paid little if any EPT because rising premium volume reduced statutory underwriting earnings upon which taxes are based. The same situation should prevail again. He noted that investment earnings of insurers, upon which dividends are based, is exempt up to 85% on dividends received from preferred and common stock holdings.

He thinks insurance stocks a protection against the perils of a peace offensive, which would send commodity prices tumbling and start deflation thinking. Some economists believe the situation today basically different from 1942-45 when the country was engaged in a shooting war and expending tanks, airplanes, munitions, etc. Once the pipelines are filled, under this theory, production for war inevitably will have to slow down, bringing some deflation with it. Deflation would favor insurance stocks as well as public utilities.

He added that insurance stocks are fundamentally cheap, currently available at discounts from 25 to 40% from liquidating value. There appears to be a basic undervaluation that presents an opportunity for both intermediate and long term investment.

In addition, their earnings will be better in 1951 than in 1950, due partly to the titanic fluke of the Nov. 25 windstorm. This is not likely to occur in 1951 and if not the companies should have an excellent year.

To find out how inflation may affect insurance stocks, Mr. Davis analyzed stocks of the big five, whose under-

writing profit margins are year in and year out clearly superior, and "the dozen"—those companies, not an all inclusive list, whose stocks merit interest for one reason or another at present—American, Great American, Home, Firemen's, N. J., Westchester, Aetna Fire, Phoenix, Boston, National Union, Springfield, Providence Washington and Northern, N. Y.

The period comprised one year short of war and 3½ war years. Underwriting margins of the big five declined to 3.7% in 1942, due to ocean war risk underwriting, which definitely will not be undertaken in a future war. It rose

to 9.8% in 1943, much superior to pre-war 1941, fell to 6.5% in 1944 due to drastic cuts in auto rates because of gasoline rationing and to fire rate reductions. It then advanced to 7.1% in 1945. Loss ratios actually rose four points, but the saving factor lay in the expense ratio declining a little more. This was attributable to the 35% advance in written premiums, which served to lower unit operating costs. Dollar operating costs actually rose.

For the dozen companies, where the experience is not entirely comparable, the profit margin began at 4.7% in 1941,

(CONTINUED ON PAGE 10)

## Sixty-First

## ANNUAL STATEMENT

DECEMBER 31, 1950

### ASSETS

United States Government Bonds . . . . .	\$19,714,453
All Other Bonds . . . . .	2,666,248
Preferred and Guaranteed Stocks . . . . .	3,266,344
Common Stocks . . . . .	8,990,685
Cash . . . . .	3,137,385
Premiums Receivable not over 3 months due . . . . .	1,514,280
Other Assets . . . . .	636,702
<b>TOTAL ADMITTED ASSETS . . . . .</b>	<b>\$39,926,097</b>

### LIABILITIES

Unearned Premiums . . . . .	\$9,870,145
Outstanding Losses and Claims . . . . .	4,584,076
Taxes, Expenses and Commissions . . . . .	2,043,754
Funds Held under Reinsurance Treaties . . . . .	1,239,815
Non-Admitted Reinsurance . . . . .	1,435,572
<b>TOTAL LIABILITIES, EXCEPT CAPITAL . . . . .</b>	<b>\$19,173,362</b>
Capital Stock . . . . .	\$2,000,000
Surplus . . . . .	14,992,969
Unrealized Appreciation of Investments . . . . .	3,759,766
<b>SURPLUS TO POLICYHOLDERS . . . . .</b>	<b>\$20,752,735</b>
<b>TOTAL . . . . .</b>	<b>\$39,926,097</b>

Investments carried at \$1,293,117 are deposited with government authorities as required by law.

### DIRECTORS

HENDON CHUBB, Chubb & Son	EMORY S. LAND, President, Air Transport Association of America
A. M. ANDERSON, Chairman of Executive Committee, J. P. Morgan & Co., Incorporated	NATHAN MOBLEY, Chubb & Son
PRESCOTT S. BUSH, Brown Brothers Harriman & Co.	JUNIUS L. POWELL, Chubb & Son
CURTIS E. CALDER, Chairman of Board, Electric Bond and Share Company	REEVE SCHLEY
PERCY CHUBB 2nd, Chubb & Son	CARROL M. SHANKS, President, The Prudential Insurance Company of America
CLINTON H. CRANE, Chairman of Board, St. Joseph Lead Company	ARCHIE M. STEVENSON, Bigham, Englar, Jones & Houston
JOHN T. JONES	

## UNITED STATES GUARANTEE COMPANY

CHUBB & SON, Managers

Fidelity • Surety • Casualty

Aviation Insurance through Associated Aviation Underwriters

effective  
protection



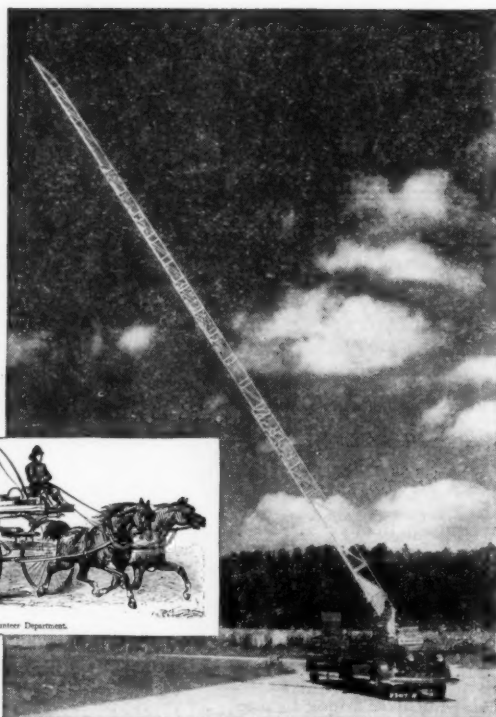
Nowhere is the efficiency of American production more evident than in its superb fire fighting equipment. Each year brings new and better methods of eliminating fire hazards and each year brings new and better fire insurance protection.

With more than one hundred and forty-six years of experience in developing proper protection, Caledonian takes pride in the up-to-the-minute service that its agents give policyholders.

### the Caledonian Insurance Company

Founded 1805

Executive Offices • Hartford, Conn.



### National Board Members to Consider War Exclusions

National Board has called a meeting March 20 of the full membership, to be held at 11 a.m., in the New York board rooms, 85 John street, to discuss the war damage and exclusion clause. In accord with executive committee action, a resume of the various viewpoints, including copies of the two exclusion clauses under consideration, are being furnished members so that they will have ample time to review the subject. One exclusion covers peacetime atomic damage, and the other does not.

### Wash. Tort Feasor Bill Still Before Legislature

The Washington legislature, running into overtime, is still facing some legislation affecting insurance. Of major importance is a bill to change existing law to permit claims for damages to be continued in the event of the death of the tortfeasor. The measure provided, however, that the injured person "shall not recover judgment except upon competent evidence other than the testimony of said injured person and the testimony of the injured person, by itself, shall not be sufficient to overcome the presumption of due care on the part of the deceased tortfeasor."

Originally, the bill did not contain the latter proviso, but subsequently it was amended and passed the house. The bill ran into trouble in the senate rules committee and appeared to be dead when the deadline for considering bills other than revenue and taxation was reached. In the meantime, however, proponents of the bill in the house attached it in the form of an amendment to a senate bill which provides for joint control by sureties. The house passed the senate bill as amended and referred it to the senate for concurrence in the amendment.

The measure legalizing the writing of replacement insurance on equipment—at present the law permits writing replacement cover only on real property—passed both the house and senate unanimously. It was awaiting Gov. Langlie's signature. The uniform boiler inspection law was also passed and Gov. Langlie has signed the bill. Also enacted into law was the measure establishing uniform standard A. & H. provisions in accordance with the recommended statute of National Assn. of Insurance Commissioners. Another bill approved by both houses establishes rigid fire inspection of rest homes.

Among the bills affecting insurance which died in the closing hours of the session were a measure establishing comparative negligence instead of contributory negligence, an optional workmen's compensation act, and a bill which would broaden the workmen's compensation act to cover retail clerks. Another bill, however, which covers building service employees, bringing this category under the monopolistic state act, was passed.

### New Kansas Dept. Attorney

John K. Corkhill has been named claim adjuster-attorney of the Kansas department by Commissioner Sullivan, replacing William M. Busch, recently called back to active service with the marines.

### New G.A.B. Colo. Branch

General Adjustment Bureau has opened a new ranch at Alamosa, Colo., with Tracy D. Thomson as manager. Mr. Thomson started his adjusting career with Western Adjustment in 1938, joining G.A.B. in 1947. He has been at Pueblo.

### Helm Speaks at Duluth

Clyde B. Helm, secretary of Insurance Federation of Minnesota, addressed Duluth Underwriters Assn. March 12 on the status of insurance bills in the Minnesota legislature.

### Aetna in West Undergoes Further Physical Partition

The western department of Aetna Fire in the Wrigley building at Chicago has again busted its buttons and has had to undergo a partition. The automobile department has been moved to the Esquire building at 65 East South Water street where the Century Indemnity western department has been located for some time. Ted Hill is the new superintendent of the automobile department. He takes the place of Fletcher Mountain, who has been promoted to agency superintendent and who remains in the Wrigley building. Mr. Mountain retains general overall supervision of the automobile operations, however.

For some time the farm department of Aetna has been in separate quarters in the original Wrigley building. Thus the Aetna organization is now divided into three physical compartments at Chicago. Just a few years ago it was all together, Century Indemnity having been moved from the Insurance Exchange building in the interest of physical unification.

Hartford Fire in the Wrigley building has also been split now for some time, the farm department having moved to the original Wrigley building.

### Women Meet at Birmingham

Region 3 of National Assn. of Insurance Women will meet at the Tutwiler hotel, Birmingham, March 23-25. Mrs. Eleanor A. Sage, president of the national association, and Mrs. Hazel M. Gray, recording secretary, will be in attendance. Several of the regional directors also will attend.

Cooper Green, mayor of Birmingham, will give the welcome address, and brief talks will be given by W. O. Thomas, president of Alabama Assn. of Insurance Agents; W. P. Engel, president of Birmingham Chamber of Commerce, and R. L. Gregory, president of Birmingham association. The program consists of a luncheon, a tour of the city, a tea party, a cocktail party and a dinner dance.

### N. D. State Hail Fund Report

The North Dakota state hail fund in 1950 took in premiums of \$340,910 and paid losses of \$363,400. R. O. Lageson, manager, stated in the annual report.

The fund had 22,926 policies outstanding covering a total of 2,752,461 acres at an average risk per acre of \$7.94. The loss ratio for the year was 106.4%.

There were 43 days with hail in the 1950 season and the fund had 2,288 losses to adjust. The average amount of loss was \$158.83. As of Dec. 31, there was \$3,092,405 in the surplus fund.

### Set Neb. Convention Date

Arthur W. Pinkerton, Omaha, president of Nebraska Assn. of Insurance Agents, has announced that its annual meeting will be held Nov. 1-2 at Hotel Fontenelle, Omaha.

In keeping with the practice in recent years, the convention will be tied in with a Nebraska University football game. Tickets to the Penn State-Nebraska game Nov. 3 will be made available with registrations.

### Neb. License Bill Killed

The banking, commerce and insurance committee of the Nebraska legislature "indefinitely postponed" a bill which would have required agents seeking to write "urban commercial risks" to pass a written examination before getting a license. In its infancy there was rather general agreement that the bill would have the support of most of the insurance interests in the state, but later in the session the domestic mutuals formed a coalition with the farm bloc and exerted sufficient pressure to have the bill killed. Opponents expressed the fear of the "camel's nose in the tent," and although excluded, attacked the "apparent intent" of the proponents of the bill.

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## SEES EARLY DECISION

Ark. Supreme Court  
Studies Installment  
Plan of No. America

LITTLE ROCK — The Arkansas supreme court Monday took under advisement the case of Arkansas Inspection & Rating Bureau vs. North America following a hearing lasting three hours in which the questions of whether, under Arkansas rating law, the five-year installment premium payment plan of North America constitutes a deviation under the law and whether the plan is unfairly discriminatory, were debated before the court by opposing counsel.

The case went to the Arkansas high tribunal on appeal from a decision of the Pulaski circuit court, made last September, in which the lower court held that the North America plan was a deviation within the meaning of act 50 of 1947 but was not unfairly discriminatory.

The issue, now 14 months old, arose last year when the Arkansas bureau contested renewal filing of the installment plan by North America after an extensive hearing. Commissioner Graves, in August of last year, ruled that the plan was not a deviation and that, were it later to be so held by the courts, it was not, in his opinion discriminatory.

## Show Keen Interest

The seven justices of the Arkansas supreme court showed a keen interest in the case, evident by the numerous questions propounded to counsel. Practically all of the justices participated in the questioning which proceeded all during the hearing.

Verne C. McMillen, counsel for the bureau, told the court that each bureau member or subscriber empowers the bureau to act as its representative in making all filings with the commissioner with the exception of deviations. North America companies, he said, are not required to subscribe to the bureau. They have the unquestioned right to file their rates and schedules independently. But when they do belong to the bureau, and agree to abide by its by-laws, rules, and rates, they cannot file direct with the commissioner anything except a deviation under section 7 of the rating act. "What the North America companies want to do is to belong to the club, get all the privileges and benefits . . . But not be bound by the rules. . . It is not within the intent of the act or fair to the other members or subscribers to permit one company, a member of the bureau, to defy the whole organization in order to permit it to secure a competitive advantage," the bureau counsel contended.

## Doubts Two Rates Are Justified

Mr. McMillen also said that when the commissioner approves rates filed by the bureau, from which a deviation is requested, he has already passed on the question and found that the bureau rates are not excessive, inadequate or unfairly discriminatory. What reason, asked McMillen, could the commissioner have for approving a deviation under those circumstances if he was correct in approving rates originally filed by the bureau? Both rates, he said, cannot qualify under the provisions of the rating act.

Mr. McMillen concluded by stating that if the North America plan is not a deviation, then the company did not have the right to file the plan independently. If it was a deviation, the plan was discriminatory under the law since the company is writing both at rates filed by itself and those filed for it by the bureau.

John C. Phillips, counsel for North America, explained that the filing was not a deviation but a coverage which the bureau did not offer and that it was not discriminatory since it made an extra charge for the extra features which

it provided. He said that if the bureau is right in its contention that North America has no right to make filings except through the bureau, it would not have been possible to provide the installment endorsement unless the bureau had done so. "In such a situation, unless we can persuade the bureau to do it, we are helpless," he said. He charged that the bureau was taking the position that it should decide what coverage should be offered, that counsel for the bureau evidently wished to create again the circumstances that led to the S.E.U.A. case. He contended that it was not within the legal power of

the rating organization to take the cavalier position that a member or subscriber must take only the rating services it supplies or withdraw.

The law, Mr. Phillips, pointed out, provides that an insurer may subscribe in whole or for any part of the bureau's services, and the organization is obliged to furnish its services without discrimination. Control of insurance companies is a governmental, not a private function, he said, and no private agencies such as the rating bureau could be given the authority to control the companies in the manner which the Arkansas bureau was seeking.

Rebuttal argument for the bureau's position was presented by Edward L. Wright, Little Rock, who said the lower court in holding the installment plan to be a deviation recognized that it is repugnant to recognize a norm and at the same time have an offshoot from the norm. He stated that the record did not show that North America had produced preponderant proof to sustain its deviation or the rates charged thereunder.

At the close of the hearing Chief Justice Griffin Smith stated that a decision would be forthcoming in about three or four weeks.

# Be AWARE the "EYES" of MARCH



**SEE** that all your policyholders have Extended Coverage protection, particularly against March winds.



**LOOK** at Fire and other renewals carefully to be certain clients have adequate insurance-to-value in line with today's high costs.



**WATCH** the "Personal" and "Society" columns of your local newspapers for the names of persons going on Easter and Spring cruises and vacations. They're good prospects for Personal Effects and Sports Equipment Floaters.



**SCAN** your records to make certain all Automobile policyholders have complete protection - Fire, Theft, Comprehensive Coverage, Property Damage, Collision and Public Liability. Get ready for Spring and Summer motoring.



**INSPECT** your Fire policy records for possible Personal Property Floater "leads". Even householders with a nominal \$5,000 in household furniture and fixtures values are worthwhile prospects.



**SURVEY** local opportunities to write Furriers' Customers Insurance. Personal furs and garments will soon be stored again.



**EYE** carefully Jewelry & Furs policies to see that amounts are written in line with current values.

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## Conn. Assn. Polls Members on New E.C. Endorsement

Connecticut Assn. of Insurance Agents is bulletining its members to get their opinion of the new additional extended coverage endorsement. The new form has not yet been filed in Connecticut, but it is expected to be filed shortly.

In a four-page letter, G. Burgess Fisher, chairman of the rules, rates, and forms committee, notes that "it would be folly for any group of agents to oppose a broadening coverage. A

rigidly restricted broadening, however, can only bring confusion to the minds of the insuring public and ill-will when loss occurs. To argue that a proper explanation of the coverage to each assured would alleviate this confusion makes little sense and the rate (four cents) makes it impractical to personally explain to each client its restrictions. Coupled with this is the ambiguity of the form itself, about which questions have already arisen and which cannot be answered."

### Opposed to Form

Mr. Fisher's committee is strongly opposed to the form, remarking that since the \$50 deductible is applicable separately as to building and contents,

in many instances it would amount to \$100 on a loss. Further, Mr. Fisher says, a claim possibility is most remote for motor vehicle damage caused by the insured's or tenant's car when the \$50 or \$100 deductible is included. Glass breakage with a \$50 deductible almost eliminates loss, since "it is inconceivable that glass breakage could exceed \$50 from any peril not already covered by extended coverage No. 4, windstorm and explosion."

Few agents can recall any instances of a tree simply falling on a house, and windstorm felling a tree is already covered under the present form, he declares.

"How many private dwellings simply collapse," Mr. Fisher asks, "except from (a) causes already covered by extended coverage endorsement No. 4, or (b) from causes excluded under the new form?"

### Only Four Coverages

He argues that the coverage reduces itself to limited water damage, rupture of steam or hot water heating systems, vandalism, and ice, snow, freezing. Mr. Fisher goes on to say that even these coverages are not made clear to the insured, or are of such limited claim potential as to be of negligible value.

"We hope that our opposition to this particular endorsement will in no way discourage efforts to produce a proper form," Mr. Fisher declares. "Our idea of a proper form is one providing as broad a coverage as possible, and if necessary, at a considerably higher rate. The most glaring exclusion under the proposed form is earthquake. Certainly the companies have a sufficient loss record on this type of coverage to include it in the additional perils endorsement."

### C.P.C.U. Institute June 19-21

The first C.P.C.U. institute will be conducted at the University of Connecticut June 19-21. Subjects to be taken up are multiple line policy contracts, multiple line underwriting and risk analysis and program planning.

The lecturers will be Robert M. Babbitt, Joyce & Co., Chicago; A. Hawthorne Criddle, Ostheimer & Co., Philadelphia; W. H. Rodda, Transportation Rating Bureau, Chicago; Milton W. Mays, Insurance Executives Assn.; George G. Gibson, state agent London & Lancashire, Louisville; Dorsey B. Kinnamon, Pippin, Kinnamon, Taylor & Dawes, Wilmington, Del., and Gerald E. Myers, W. A. Alexander & Co., Chicago.

Attendance at the institute is limited to 60 persons. Applications can be made through Hugh W. Donovan, 49 Pearl street, Hartford.

### Probe Kansas Commissioner

A special grand jury at Topeka before the week is out is expected to make a report on the case of Frank Sullivan, Kansas Insurance Commissioner. Complainant is Eunice Hyre, who was in charge of life companies of the Kansas department and who exited when Mr. Sullivan became commissioner. She ran for commissioner in the G.O.P. primary and got swamped. She got 1,200 signatures to a petition which in Kansas requires the calling of a grand jury. She charges that Mr. Sullivan went to conventions by motor and put railroad fare on the expense account and that he let a non-admitted life company operate in Kansas.

### Dakota Splash April 4-5

Dakota Blue Goose will hold its annual splash at Aberdeen, April 4-5. A smoker will open the affair Wednesday evening with the following day being devoted to business and initiation. At the banquet Thursday evening Carl Bahmeier, executive secretary South Dakota Bankers Assn., will speak.

The Stockton, Cal., offices of General Adjustment Bureau have been moved to the American Trust building.

## North America Moves to Block Day Fleet Order

North America groups has brought a suit in circuit court at Springfield to set aside a recent order of Insurance Director Day of Illinois that vehicle fleets over five in number are eligible for fleet rating where they are under one management as well as where they are under common ownership. Director Day's order, which is to become effective April 1, interpreted the insurance code in a different way than his predecessor in 1940 who ruled that the motor vehicles in a fleet of five or more must be owned by one insured and that it was not an intent of the code to cover groups of individually owned vehicles under some form of common management.

It is understood that National Automobile Underwriters Assn. is taking action similar to the North America move through its attorneys, Hershey, Bliss & Wanless of Springfield.

### Hartford Veterans Honored

Oscar G. Coy, resident comptroller, marking his 30th year, and Wilson E. Taylor, attorney in charge of fidelity and surety claims, who is observing his 20th year, were honored by Hartford Accident at a luncheon at San Francisco on their service anniversaries. Mr. Coy started at its home office, and was transferred to San Francisco in 1927, being appointed to his present position in 1943. Mr. Taylor joined the company at New York City and went to the Pacific department in 1943 in his present capacity.

### Compulsory Auto Bill in Pa.

A bill to establish a compulsory automobile insurance system has been introduced in the Pennsylvania legislature; also one further defining and regulating group A. & H. insurance.

### Hear Atom Bomb Talk

At a luncheon meeting of St. Louis Blue Goose, Frank D. Sullivan, coordinator of civil defense for that city, told what should be done in the event of an atom bomb attack. His talk was illustrated with a movie.

Plans for the annual dinner dance, to be held April 7 were discussed.

### Cull Cleveland Counsel

Insurance Board of Cleveland has retained as counsel in its defense of the federal anti-trust action that has been brought against it, Francis X. Cull of Haixhurst, Inglis, Sharp & Cull.

### John A. Corroon Advanced

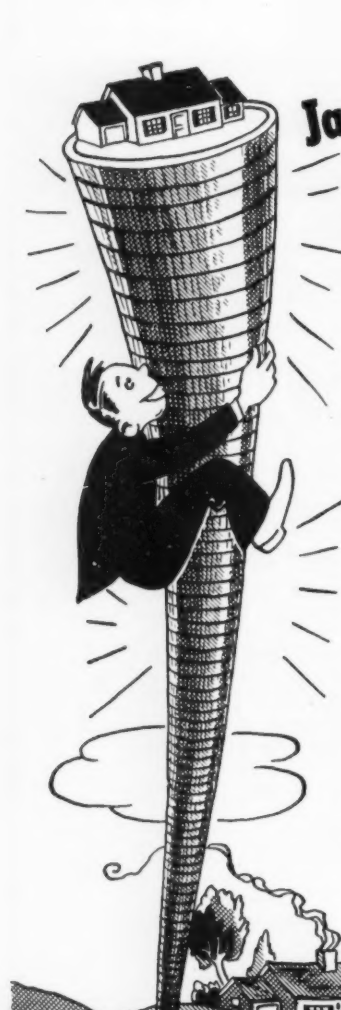
John A. Corroon, who was recently elected assistant secretary of all of the Corroon & Reynolds group companies and of Corroon & Reynolds, Inc., Central Fire Agency of New York and Central Fire Agency of New Jersey, has been appointed assistant manager of the New York suburban and New Jersey departments, where he will assist Vice-president John A. Campbell in supervision.

A graduate of Dartmouth, he served in the army in the Pacific, prior to joining Corroon & Reynolds in 1946. He is a son of the late R. A. Corroon, one of the founders of C. & R.

### America Fore Plan O.K.

The New York department has approved the multiple location risk rating plan filed by Continental and others that have opposed the Multiple Location Service Office plan. The new plan also is in effect in Pennsylvania and California.

Ben Culwell, special agent for Frank Rimmer & Co., will address Insurance Women of San Antonio at the March meeting on marine insurance.



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## Insurance People Concerned Over War Damage Delays

WASHINGTON—Insurance men are greatly concerned about the delay on war damage legislation. Present prospects are that congressional hearings on the subject may not begin for from three weeks to two months. At least part of the delay is due to an effort to reconcile the views of some nine or 10 government departments and agencies that are concerned with various angles of such legislation. The budget bureau is trying to secure memoranda and recommendations from them. The companies are very eager to have some action taken.

Industry representatives impressed upon government officials the importance of having war damage legislation include provision for reinsurance of workmen's compensation at a conference at the budget bureau. Background information was given and arguments made why the industry needs this. The delegation included Ray Murphy, Assn. of Casualty & Surety Companies; Maurice Herndon, Washington representative National Assn. of Insurance Agents, and Howard M. Starling, A.C.S.C. Washington representative.

The delegation learned the budget bureau's recommendations regarding war damage would not be out for at least three weeks.

The Defense Department is reported strong for provision for reinsurance of workmen's compensation risks as part of a war damage program.

Agents consider especially significant the recent remark of Thomas L. Kane, Defense Department insurance director, indicating that agents' compensation as insurance advisers' fees under the proposed defense joint rating plan will be higher than such fees were at the close of the last war.

### Indiana Veterans Honored

Indiana Blue Goose gave a fellowship dinner in honor of George R. Pritchett, American, and Herman A. Pfister, Providence Washington, who have retired from active field work.

J. F. Halladay, Western Adjustment, presided and then turned the gavel over to J. Ray Hull, past most loyal grand gander. Many tributes were paid to the honor guests each of whom received a life membership certificate. Ross Coffin, successor to Mr. Pfister with Providence Washington, made the formal presentation to him and Don G. Kaga, secretary of Secured Casualty, made the presentation to Mr. Pfister, emphasizing praise for his services as chairman of the arrangements for the grand nest meeting at French Lick last August.

Others who spoke were George W. Mercier, Hanover; Joe N. Cline, Underwriters Adjusting; James Gibson, American States, and Homer Meek, retired.

### Tri-State F.P. Group Elects

John Nichols, St. Paul F. & M. was elected president of the Fire Prevention Assn. of Delaware-Maryland-District of Columbia, succeeding Harry Gibbs, Commercial Union, at the annual meeting.

The meeting preceded inspection of Hagerstown, Md., in which 50 field men participated.

Vice-presidents are A. Breese Wicks, Gless Falls; George Mason, Home, and James Wyper, Jr., Hartford Fire. John Robertson, Home, is secretary and P. I. Landis, America Fore, treasurer.

### Ill. "Exam" Date Changed

The date for examinations for Illinois agents' and brokers' licenses has been changed from March 23 to March 26 at 160 North LaSalle street in Chicago. Downstate examinations will be given beginning between May 7 and May 21 in the following order: Peoria, Moline,

Rockford, Elgin, Kankakee, LaSalle, Bloomington, Champaign, Olney, Hermin, Centralia, East St. Louis, Quincy and Springfield. The state insurance license division issued 107,462 licenses during the year ending Feb. 28, 1951.

### McCombs Resigns as President

Leonard S. McCombs has resigned as president of the Spectator Co. He may stay on with the company in some other capacity. He succeeded in that post Thomas L. Kane, now in Washington with the government. Mr. Mc-

Combs has spent his entire business career with the Spectator, on the sales and editorial side.

### Baltimore Club Elects

George W. Karcher of U.S.F.&G. has been elected president of Baltimore Casualty & Surety Club. George Conner, Fidelity & Deposit, is vice-president. R. G. Bauer, Jr., U.S.F.&G., secretary, and C. M. Snyder, New Amsterdam, treasurer.

A proposal in the New Hampshire

legislature which would remove state insurance from competitive bidding has been reported favorably by the committee on executive departments and administration.

### Urge 50c An Hour Insurance Wage

WASHINGTON — Increase of 10 cents an hour, or from 40 to 50 cents, in the minimum wage in the insurance, banking and real estate industries in the Virgin Islands, has been recommended to the Department of Labor by a special committee.



... and while our friend the jeweler is waiting for that clasp to come from the manufacturer he has \$5,000 worth of diamond necklace on his hands. He needs a JEWELER'S BLOCK POLICY, providing practically "all-risk" coverage not only for his own stock but including property of others left in his custody for repair or cleaning. With every jeweler in town for a prospect, this type of business can be built to a surprising volume.

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## NEWS OF THE COMPANIES

### Loyalty Premiums Exceed \$115 Million

The combined premium income of the fire and casualty companies of the Loyalty group in 1950 exceeded any other year in history, the total being \$115,219,639. Of this amount the fire companies wrote \$66,703,058 and the casualty companies \$48,516,580. Total premium reserve of the group is \$88,903,158. The policyholders' surplus on an actual market basis was \$43,708,119 which compares with \$38,374,022 the previous year.

President John R. Cooney reported that the underwriting experience was far from satisfactory. The Loyalty group losses in the November storm are estimated at about \$4½ million, and the number of claims exceeded 60,000. Firemen's suffered especially in this storm because of its large New Jersey business.

The ratio of losses and loss adjustment expenses incurred to premiums earned for the fire companies was 59.4, for the casualty company 63.4 and for

the group 61.1. The underwriting expenses for the group were 38.2, being 40% for the fire and 35.7% for the casualty.

There was retired during the year 7,000 shares of the preferred stock, the sum of \$700,000 being used for that purpose. There are now 52,500 shares of preferred left. For the entire group the premiums earned were \$111,687,631, losses incurred \$59,291,568, loss adjustment expenses incurred \$8,975,375, underwriting expenses incurred \$43,990,076 and statutory loss from underwriting \$568,646. The net investment income was \$5,516,475 of which only \$1,520,500 was paid in dividends. Federal income tax incurred was \$1,048,633.

### Pacific States Is Given Certificate of Authority

Pacific States Fire & Indemnity of Portland has been licensed in Oregon to write fire and casualty business. Latest reports were to the effect that approximately \$500,000 in capital stock had been sold and paid for. Commissioner Taylor has been examining the

company's records and on March 5 issued the certificate of authority.

The group sponsoring the company is headed by John F. Hall, former Oregon governor. Stock sales have been directed by Jacob Dobrin, who has promoted companies in Washington and Oregon. Kit C. Conyers, West Coast Trans-Oceanic Steamship Line, Portland, is president. Plans are underway to establish the home office at Eugene.

### Cherry, McKowen Made V.-P.s of N. H. Fire; Others Raised

New Hampshire Fire has promoted Morton C. Cherry and Austin V. McKowen to vice-presidents and Milton H. Cilley from assistant secretary to secretary. Edward P. Turner, George D. Estes and Lawrence C. Hall have been elected assistant secretaries.

Mr. Cherry, a graduate of Massachusetts Institute of Technology, was a construction engineer at Boston for 10 years before entering insurance. He joined New Hampshire Fire in 1928, was made state agent at Boston in 1937, and went to the home office as secretary of Granite State in 1946. Mr. McKowen started with the company in 1922, becoming Maine special agent in 1933, state agent in 1938 and secretary in 1947.

Mr. Cilley began with the company in 1920, entering the eastern and southern New Hampshire field in 1930. He was advanced to state agent covering eastern New Hampshire in 1947 and went to the home office in 1949 as assistant secretary.

### Corroon & Reynolds Assets, Surplus Up

Total assets of Corroon & Reynolds group, consisting of American Equitable, New York Fire, Globe & Republic and Merchants & Manufacturers, were \$61,299,162 at Dec. 31, compared with \$55,005,020 at the end of 1949. Surplus to policyholders, with all securities at market value and full credit given for unauthorized reinsurance, was \$22,030,710.

Net premiums for the group were down from \$27,397,070 in 1949 to \$27,131,641. The ratio of losses incurred to premiums earned was 52.16% and expenses incurred to premiums written was 44.14%, the combined loss and expense ratio being 96.30%, compared with the combined ratio of 90.07% in 1949.

American Equitable at Dec. 31 had assets of \$29,987,222, up \$3,604,157, and policyholders' surplus \$9,612,759, a gain of \$1,470,858.

Assets of New York Fire were \$13,536,464, increase \$1,877,931. Policyholders' surplus was up \$923,216, totaling \$5,482,466.

Globe & Republic assets were \$10,591,568, a gain of \$545,390, and policyholders' surplus was \$3,850,677, an increase of \$769,356. Merchants & Manufacturers assets were \$7,655,814, up \$705,656, and policyholders' surplus \$3,056,027, a gain of \$458,850.

### Queen City Fire Names Wells, Lowe, Freeman

Queen City Fire has appointed Neil J. Wells executive vice-president, T. Parker Lowe, secretary, and David W. Freeman, assistant secretary.

Mr. Wells joined Anchor Casualty, with which Queen City Fire is associated, last July as underwriting manager of fire and marine. In October he was named a director and vice-president of Queen City. He has had long experience in insurance, including work in auditing, underwriting, field and home office capacities.

Mr. Lowe, who joined Anchor Casual-

ty in 1933, was resident vice-president at Los Angeles for nearly 10 years and is now a vice-president of Anchor Casualty at the home office. Mr. Freeman, who has been a supervisor in the Anchor statistical department, recently was transferred to the fire division.

### Louisville F. & M. in Tenn.

Louisville Fire & Marine has been licensed in Tennessee, bringing to 25 states and the District of Columbia the field in which it works.

### Cherokee Capital More

The authorized capital of Cherokee Ins. Co., Nashville, has been increased from \$150,000 to \$1,200,000. The paid up capital is \$150,000, the par value of the shares being \$5. It recently dropped the word "Fire" from its name.

## FIELD

### Field Groups Confer with P. R. Committee of E.U.A.

Representatives of the field clubs and fire safety associations in the Eastern Underwriters Assn. territory held their annual meeting with the public relations committee of E.U.A.

Public relations aspects of the November windstorm held the principal place on the agenda. Also reviewed were public relations activities of the field clubs and fire prevention associations, with emphasis on devising more effective methods of coordinating future work in cooperation with the National Board program.

Donald B. Sherwood, general adjuster of National Board, led the discussion in outlining the purpose and uses of the agreements of guiding principles in loss adjustments. F. W. Westervelt, General Adjustment Bureau, commented on developments of the November catastrophe.

### Brookman in Ga. Field

Ray Brookman has been appointed special agent in Georgia for Louisville F. & M. He has been with the company the past four years, starting after he departed from military service. He was wounded in France. He attended Washington State College.

### Whealy to S. D. Field Post

America Fore has appointed Donald Whealy special agent in South Dakota, with headquarters at Sioux Falls. He will work with State Agent M. S. Jones in the farm and hail department. Mr. Whealy has been with the company as a hail adjuster for several years.

### Gulf Has Coast Meetings

Gulf held its annual two-day conferences at Los Angeles and San Francisco for field men in its Pacific Coast department. Those appearing on the program included T. R. Mansfield, president; R. H. McKenzie, 1st vice-president; J. D. Daniels and V. C. Dargan, vice-presidents, and E. C. Dargan, secretary.

### Security Holds 2 Rallies

Security of New Haven held a meeting of eastern field men at Atlantic City and another is being held at Edgewater Park, Miss. this week for southern field men. At both meetings home office representatives are S. H. Swart, vice-president; E. O. Redwitz, secretary; and B. J. Daenzer, assistant secretary.

### P. R. Program for N. M.

Mountain States Fire Underwriters Assn. has taken steps to set up a public relations program in New Mexico. R. M. France, Security, president of the association, met with W. F. Ehret, America Fore, New Mexico state director, and a number of New Mexico insurance men to formulate a program which will

# 1861



**This was the year the Pony Express became history and the London & Lancashire Insurance Company, Ltd. was founded.**

They galloped from St. Joseph, Missouri to Sacramento, California in 7 days, 17 hours! That was the record-breaking time of the Pony Express. For a dollar per half ounce your mail could be carried across 2,000 miles of unknown territory by 75 different ponies.

For 90 years now, ever since the last year of the famous Pony Express, The London & Lancashire Insurance Company, Ltd. has been growing in strength and stability to better serve its policyholders in all parts of the world.

## THE London & Lancashire GROUP

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD. • ORIENT INSURANCE COMPANY • LAW UNION & ROCK INSURANCE COMPANY, LTD. • SAFEGUARD INSURANCE COMPANY OF NEW YORK • STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department) • LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA



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closely parallel that now followed in Colorado. Plans are under way for a similar organization in Wyoming.

### Neb. Meeting at Norfolk

Nebraska Fire Underwriters Assn. held its monthly meeting at Norfolk. E. J. Nagel, Home, presided, and Frank Jenkins, Nolan & Co., gave a short public relations talk.

### Joins Hawkeye-Security

L. C. Swick of Omaha has joined Hawkeye-Security and Industrial as special agent for western Nebraska. He has been with the Dunbar agency at Omaha since 1947.

### Young in St. Louis Post

Logan C. Young has been appointed field supervisor of fire and marine lines at St. Louis by Travelers.

### Father and Daughter Dinner

Wisconsin home nest of Blue Goose will hold a fathers and daughters dinner March 19. The daughters will provide part of the entertainment, and the guest of honor will be Paul Fell, Middle Department Rating Assn., most loyal grand gander.

Howard W. Bailey, Jr., Atlas, is chairman of the entertainment committee. His father, who is state agent for Pacific Fire, will be toastmaster.

### To Inspect Mount Vernon.

Mount Vernon, Ind., will be inspected March 28 by Indiana Fire Prevention Assn.

The association also has scheduled inspections of Decatur May 17 and Angola June 13. The Bloomington inspection scheduled for April 19 has been cancelled.

### Aetna Names Two Specials

Aetna Fire has appointed Elvin L. Abrams special agent in Tennessee, with headquarters at Nashville.

A navy veteran, Mr. Abrams started with Aetna at Chicago on a part-time basis while attending college. Recently he completed special training in preparation for a field assignment.

The company has appointed Richard U. Cashman special agent for Alameda and Contra Costa counties in California. He will be associated with George W. Anderson, superintendent of agencies, with headquarters at Oakland.

### To Inspect Garden City, Kan.

Emmett Cox of Western Actuarial Bureau, Chicago, will be the luncheon speaker at the inspection of Garden City March 21-22 by Kansas Fire Prevention Assn. In charge locally is Charles Schoonover of Bosworth-Schoonover, a past president of Kansas Assn. of Insurance Agents.

Douglas J. Bennet, former executive secretary to Governor Bowles and now president of Aikem Service Co., addressed Connecticut Field Club at Hartford on "Smoke Odors Claims Are a Thing of the Past."

South Dakota Fire Prevention Assn. will inspect Webster April 3. The date of the association's joint bi-monthly meeting with South Dakota public relations committee has been changed from April 3 to April 2 so as not to interfere with the inspection.

Tennessee Fire Prevention Assn. will inspect Lebanon March 21.

### Names Hood in Indiana

Hartford Accident has named William S. Hood special agent at Indianapolis. He has had 15 years experience as a casualty claim adjuster, casualty and surety field man and local agent.

George Petty, state agent for Loyalty group, spoke on fire insurance forms before Springfield (Ill.) Assn. of Insurance Women.

## CHICAGO

### NAME RED CROSS LEADERS

George W. Rennix, Jr., assistant branch manager for Continental Casualty, has been appointed chairman of the insurance section of the Chicago Red Cross drive. His group chairmen are: life, J. Gordon Michaels, manager for Continental Assurance; fire, Kenneth S. Ogilvie, assistant manager of Western Underwriters Assn.; casualty, K. O. Saunders, assistant regional manager for Royal-Liverpool; general agencies, George Herrmann, III, vice-president

George Herrmann & Co.; bureau and adjustment, Harold L. Bredberg, executive vice-president National Service & Appraisal; mutual and reciprocal, Warren Marshall, Liberty Mutual; fraternal, Thomas R. Heaney, high chief ranger, Catholic Order of Foresters. The quota for the insurance section is \$57,500. Each section chairman has a co-chairman and 15 to 30 captains. Posters and movies are available from Mr. Rennix.

### TO HEAR FIRE DEFENSE TALK

At the March 19 meeting of Mutual Underwriters Club of Chicago will be Battalion Chief Edward E. Newell of the Chicago fire department, who will

talk on the fire defense plan of the civil defense program of Chicago. The meeting will be a dinner affair at Forrest's.

### BRODERICK, SCHROEDER PART

R. P. Broderick and G. H. Schroeder have dissolved partnership in the Broderick-Schroeder independent adjusting firm of Chicago. They will retain their present office in the Insurance Exchange building for a time.

Assn of Fire Insurance Examiners of Chicago is going on an inspection tour of the Keeley Brewing Co. on March 15. The tour is arranged by P. A. Pederson, chief instructor for National

# ★ SECURITY ★ STRENGTH ★ SERVICE

## UNITED STATES RESOURCES AS OF DECEMBER 31, 1950

Year Estab- lished		Securities Deposited As Required By Law	†Total Admitted Assets	Liabilities	Capital	SURPLUS TO POLICYHOLDERS (Includes Capital)	
						Annual Statement Basis	Market Quotation Dec. 31, 1950
1896	American & Foreign Ins. Co.	\$ 265,061	\$16,560,313	\$ 9,524,926	\$1,500,000	\$ 7,035,387	\$ 6,966,673
1863	The British & Foreign Marine Ins. Co. Ltd.*	926,930	9,819,659	5,161,586	500,000	4,658,073	4,566,181
1911	Globe Indemnity Co.	839,333	77,542,994	51,830,285	2,500,000	25,712,709	25,217,373
1836	The Liverpool & London & Globe Ins. Co. Ltd.*	723,236	35,916,041	22,244,648	500,000	13,671,393	13,338,147
1811	Newark Insurance Co.	782,952	21,311,452	12,575,453	2,000,000	8,735,999	8,658,581
1891	Queen Insurance Co. of America	405,525	54,195,736	32,222,145	5,000,000	21,973,591	21,614,293
1910	Royal Indemnity Co.	1,691,155	83,854,773	56,525,450	2,500,000	27,329,323	26,786,961
1845	Royal Insurance Co., Ltd.*	669,265	42,979,131	27,428,676	500,000	15,550,455	15,202,394
1896	Star Ins. Co. of America	265,628	18,119,302	10,316,301	1,000,000	7,803,001	7,658,140
1860	Thames & Mersey Marine Ins. Co. Ltd.*	665,096	5,822,714	2,881,500	500,000	2,941,214	2,882,917
1832	Virginia Fire & Marine Insurance Co.	294,400	5,995,161	3,500,891	1,000,000	2,494,270	2,504,401

†Includes Securities Deposited as required by law.

\*United States Branch. The amount shown under "Capital" is the statutory deposit required to transact business in the U.S.A.



1851-1951  
ROYAL INSURANCE CO., Ltd.  
100th Anniversary  
in the United States

CASUALTY AND SURETY—FIRE—MARINE COMPANIES OF THE

# ROYAL ~ LIVERPOOL INSURANCE GROUP

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK 38, N. Y.

## TRI-STATE INSURANCE COMPANY

A Multiple Line Company

Tulsa 1, Oklahoma

Perry D. Inhofe, President

### STATEMENT OF ASSETS & LIABILITIES as at DECEMBER 31, 1950

#### ASSETS

Cash on hand and in banks.....	\$1,260,730.65
Bonds .....	750,360.63
Stocks .....	732,003.28
Real estate mortgages.....	1,000.00
Agents' balances, net .....	495,343.59
Real estate owned.....	265,036.52
Other assets .....	49,802.23

Total Admitted Assets .....\$3,554,276.90

#### LIABILITIES

Reserves for claims and claims expenses.....	\$1,139,451.59
Reserves for unearned premiums.....	1,166,895.56
Reserves for taxes .....	189,813.80
Other reserves .....	48,350.62

Total Liabilities .....\$2,544,511.57

Capital Stock .....	\$500,000.00
Surplus .....	509,765.33

Total Liabilities, Capital Stock & Surplus....\$3,554,276.90

#### Operating Through Local Agents in the Following States:

Arkansas	Louisiana	Nebraska	South Dakota
Colorado	Mississippi	New Mexico	Texas
Idaho	Missouri	North Dakota	Utah
Iowa	Montana	Oklahoma	Wyoming
Kansas			

ADDRESS ALL COMMUNICATIONS WITH REFERENCE TO AGENCIES  
DIRECT TO HOME OFFICE

### Opportunity for Three

## INSURANCE EXECUTIVES

One of the most progressive capital stock insurance companies in the West needs executive manpower to supplement its present staff. The President of this company firmly believes that good manpower is the company's biggest asset, and the three positions to be filled present opportunity limited only by the growth of a steadily expanding organization.

Applicants for these positions should be currently employed, capable of originating ideas, and have the ability to follow them through to conclusion. Willingness to work hard is, of course, vital. The preferable age bracket is between 30 and 40. The company hopes that every applicant will have the ambition and ability to become president.

One position requires accounting and statistical abilities; familiarity with insurance company accounting; and ability to prepare annual statements required from insurance companies. A knowledge of brokerage and Lloyds accounting practices would prove helpful.

A second position requires thorough sales and public relations background, ability to direct and train a sales force on a direct writing basis, and ability to contact and sell large premium risks.

A third position requires underwriting and underwriting knowledge of casualty and fire lines, including underwriting knowledge of fleet risks, both private and "for hire." Direct sales experience is desirable.

All information will be held strictly confidential by the President of the insurance company

Write to Box E-9, National Underwriter  
175 W. Jackson Blvd., Chicago 4, Ill.

Inspection Co. The meeting will conclude with a dinner.

Insurance Distaff Executives Assn. of Chicago members at the March 15 meeting at the Palmer House will relate their individual progress in raising money for the welfare fund.

## NEW YORK

### AUTO MEN NOMINATE MESEROLE

Edward D. Meserole, New York Underwriters, was nominated for president of Automobile Claims Assn. at the March meeting in New York. Other nominees were James W. Sherwood, London Assurance, for vice-president, Clifford Gunderson, Home, for secretary, and Cornelius J. Ryan, American Alliance for treasurer.

Election will take place April 12. Plans for the association's annual dinner May 4 were formulated.

### NEW YORK EXCHANGE SLATE

New York Fire Insurance Exchange members were scheduled to elect the following officers at the annual meeting in New York City Wednesday:

T. M. Williams, Home, president; J. J. Magrath, Chubb & Son, vice-president; H. M. Hess, secretary-treasurer; and T. D. Hughes, Fidelity-Phenix; W. J. Reynolds, American Equitable; were A. J. Ungerland, Scottish Union, members of the executive committee. Arbitration committee nominees were H. R. Hall, Royal Exchange, and H. B. Standen, North British.

### N. Y. BUYERS TO HEAR DALTON

Marshall B. Dalton, president of Boston Manufacturers Fire, will be the featured speaker at the next luncheon of New York chapter of National Insurance Buyers Assn., formerly Risk Research Institute, March 22. He will discuss use and occupancy and extra expense coverages.

## Up PPF Rates and Minimums in NYC

The New York insurance department has approved the Inland Marine Insurance Bureau filing of revised rates and minimum premiums on the personal property floater for metropolitan New York, effective April 1. Kings, Bronx, Queens and New York counties have been shifted to territories 11, 12, 13 and 14, respectively and the following territorial loadings applied:

Territory	First \$5,000	Next \$5,000	Next \$10,000	Next \$20,000	Excess of \$50,000
XI	1.85	1.10	0.60	0.25	0.18
XII	1.80	1.00	.45	.18	.18
XIII	1.75	.95	.45	.18	.18
XIV	1.70	.95	.45	.18	.18

A new schedule of minimum premiums has been established. These are: For full cover, \$120; \$15 deductible, \$90; \$25 deductible, \$75, and \$50 deductible, \$50.

### Tugboat Syndicate Elects

The Tugboat Underwriting Syndicate, New York City, has elected F. Norman Christopher, Atlantic Mutual, chairman of the board of managers, and J. N. Robinson, Marine Office, vice-chairman. Thomas L. Brady, secretary and underwriter; R. F. Weyant, treasurer and Harry Dorfman, assistant treasurer, were reappointed.

### Hear of AAA Insurance Plan

Wichita Assn. of Insurance Agents heard a report on the need for additional public school buildings at its March meeting by L. E. Wilbur, secretary of the board of education. Wichita is to vote April 3 on a proposed school bond

issue of over \$5 million.

Reports were given that the Kansas AAA has entered into an automobile insurance plan which is expected to be opposed by Kansas agents. It had been understood when it was organized four years ago that the Kansas AAA would not become involved in any insurance plan.

### Greater Miami Board Elects Pruitt President

Frank O. Pruitt has been elected president of Greater Miami Insurance Board, succeeding Walter I. Stevenson. Other officers are Jess L. Turner, 1st vice-president; Innes Subers, 2nd vice-president, and Thomas B. Hamilton, secretary.

Commissioner Larson will install the officers at a luncheon meeting March 22.

### To Separate Farm Statistics

RALEIGH, N. C.—Although the three-acre rule has been abolished in North Carolina and farm dwelling fire rates have been equalized with those of suburban dwellings, Commissioner Cheek has left the way clear for a return to a rate differential if the experience justifies it.

In a letter sent to agents, the commissioner stated that he had approved segregation of farm dwellings for statistical purposes. The rates will be the same as those for suburban dwellings, but separate statistics would be kept.

This will make it possible to compile the statistics which North Carolina Fire Insurance Rating Bureau was unable to furnish when Mr. Cheek asked for a justification of the rate differential. The statistics were unavailable because the farm dwellings had been tied in with other farm properties for rate-making purposes.

### N. M. Dwelling Rates Cut 20%

Commissioner Apodaca of New Mexico has approved a reduction of 20% in fire rates for dwellings and tourist courts, effective March 15. The reduction was proposed by Mountain States Inspection Bureau. Mr. Apodaca estimated the reduction would save \$340,000 in premiums annually.

### Hear 3 at South Bend

South Bend-Mishawaka Assn. of Insurance Agents March 15 is holding a dinner meeting at which George Schoettle, manager Western Adjustment; George K. Simpson, special agent Aetna Fire, and James Egglund, special agent Royal-Liverpool, are speakers.

## LOCAL AGENCIES FOR SALE

- 107—ILLINOIS AGENCY — Downstate Illinois — \$185,000 premium income — ground floor location — owner has other interests.
- 108—CALIFORNIA AGENCY — Coast town near Los Angeles — \$13,000 commission income 1950. Owner recalled to service.
- 109—SO. INDIANA AGENCY — County seat of a progressive community — combination real estate and insurance agency. 1950 insurance income \$6,500, will sell for \$8,500. Owner retiring.

For information on these and other insurance agencies write or phone

**FERGASON PERSONNEL**  
330 S. Wells Street, Chicago 6, Illinois  
HARRISON 7-9040

## Robber Cover

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## Robbery Policy Does Not Cover Fraudulent Theft

DES MOINES—The Iowa supreme court has ruled in favor of Hartford Accident in a case involving loss of some rings stolen from a safe in a jewelry store by a confidence gang. Edward P. Cole, Atlantic jeweler, brought suit against Hartford on a policy covering loss by robbery. Cole claimed fraud on the part of the insurer by its agent misrepresenting the coverage of the burglary insurance. A directed verdict for the jeweler was given by the lower court.

The state supreme court reversed that decision and ruled for the company. Cole claimed the rings were taken from his safe, the inner doors of which were not locked although the bolts were thrown, when a clerk and the proprietor were alone in the store and the clerk's attention was engaged by a woman who professed to be a customer while two accomplices took the rings. The loss was not discovered until about three hours later.

The company relied on the definition of robbery in the policy as "overt felonious act committed in his presence and of which he was actually cognizant."

The supreme court held there was no evidence the rings were taken by overt felonious act of which the jeweler or his clerk was actually cognizant.

## Tell Plans for Nat'l Assn. of Casualty & Surety Agents

The program for the midyear meeting of National Assn. of Casualty & Surety Agents, scheduled for March 30-31 at Houston, has been announced.

Commissioner Gibbs of Texas will lead off the first day with an official welcome. Holton R. Price, Jr., St. Louis, president of the association, will preside at a series of round table discussions on state regulatory laws. At the banquet, P. P. Butler, president First National Bank of Houston, will be the speaker.

Round table discussions on War Damage Corp., Defense Department Insurance rating plans, liability of policyholders to assessment in mutual insurers and equalization of taxation between stock and mutual companies will highlight the second day session.

Lyle S. McKown will lead the discussion of state regulatory laws and model state rate regulatory act. There will also be a discussion of the possible insurance rating implication of the recent Standard Oil vs. Federal Trade Commission case.

National Assn. of Surety Bond Producers is meeting at the same time and will hold a joint banquet with the other group.

## Increases W.C. Dividend

The dividend rate on workmen's compensation policies was increased to 15% at the annual meeting of Lumber Mutual Casualty of New York, effective April 1.

Frederick T. Moses, chairman of Fireman's Mutual and Union Mutual Fire of Providence, and Burr Gongwer, vice-president of those companies, were elected directors.

## \$45,000 Settlement in L. I. Wreck

Long Island Railroad will pay around \$45,000 to Raymond S. Gordon, Baldwin, L. I., who sued for \$150,000 as the result of the Rockville Center wreck in February, 1950. The suit had just gotten underway when a settlement was reached. Mr. Gordon, 57, was a \$4,400 a year maintenance man on the New York City subway system before the accident in which he suffered two broken legs and other injuries.

## Honor Whitewater, Wis., Agents

Herbert W. Taft and Claire L. Benson, local agents of Whitewater, Wis., were presented plaques at a dinner in their honor marking their 25th an-

niversaries as agents of National Fire. The presentations were made by T. L. Mulcahy, state agent, and C. C. Schaefer, special agent.

E. N. Harsha, chief engineer of Kansas Inspection Bureau, Topeka, addressed the Junction City Rotary Club on "Factors Involved in Establishment of Fire Insurance Rates."

Edward McNaughten, Jr., inspector at Kansas City, Kan., for Kansas Inspection Bureau, has been called back to active duty with the marines.

## Coons, Evans Are Given Crum & Forster Field Posts

Crum & Forster has appointed Rodger Coons special agent in Oklahoma and Kenneth H. Evans special agent in Indiana. Mr. Coons will make his headquarters at Oklahoma City and Mr. Evans at Indianapolis.

Joining the western department at Freeport, Ill., about three years ago, Mr. Coons went through an extensive training program, receiving training in all departments and special work in the

engineering department. A veteran of the last war, he attended Colorado A. & M. College.

Following army service, Mr. Evans for three years was with Iowa Inspection Bureau at Sioux City. He joined the company at Freeport about a year ago and received training in all departments, including special training in engineering. He attended Morningside College at Sioux City.

A. R. Smith, local agent at Tonkawa, Okla., for more than 25 years, has sold his agency to W. E. Mugg. It will operate as Mugg-Smith agency.

# The Hartford Agent

JANUARY, 1951

## Mr. Speaker ... I HAVE A QUESTION!

*Business Interruption Forum held by Brooklyn agency draws crowd of 200. Many interesting questions raised*

**W**HEN NEARLY 200 busy insurance producers accept an invitation to attend a Forum devoted entirely to one subject, it is evident not only that there is a widespread and growing interest in the subject, but that those in attendance hope to get some information which they can put to practical, every-day use. The spirited question-and-answer period which followed the speeches by William H. Rusher, Manager of the Hartford's Brooklyn, N. Y., office, and Harold Hyer, independent adjuster, at the Business Interruption Forum recently sponsored by the Jaffe Agency, Brooklyn, N. Y., agents of the Twin City Fire Insurance Company, one of the Hartford's affiliated companies, brought out many points in which we believe agents in all parts of the country will be interested. Through the courtesy of the *Insurance Advocate*, which reported the meeting, here are some of the unedited questions and answers. You may not agree with them all, but we are sure you will find them stimulating. You may wish to check the answers with your own regional rules, as of course local rules differ, and these answers, in

some cases, reflect provisions applying to the New York City area. In addition to the principal speakers at the forum, Charles Manzell, manager of the New York office of the Jaffe Agency, also participated. Bernard Jaffe, head of the agency, opened the forum and his son Alfred I. Jaffe, was moderator.

**Questions and Answers**

**Question:** How do you provide an amount of insurance sufficient for the insured's needs under any circumstances?

**Mr. Rusher:** During my talk, I went over the need to have enough insurance to comply with the coinsurance clause and also enough to comply with the insured's maximum loss. First of all, you should carefully complete the worksheet, for it contains a formula, making

sure of compliance with the coinsurance clause. You should then determine the longest period of time that the business could be interrupted, the profits which would be lost during that time, and the expenses which would continue.

**Mr. Hyer:** I think that one of the vital things to keep in mind when selling this type of insurance is that you must make the buyer of the insured understand that the measure of the time period of possible disablement to be considered, is governed by the individuality or the individual circumstances of his own business. Maybe this is the answer: I served an account in New Jersey where they had some very unusual machinery and in that particular case, as this machinery was the core — the very heart of the business — it was discovered that they could not get delivery for nineteen months. There the period of time and the amount of insurance to be carried had to be sufficient to provide for the contingency





**H**ERE are answers to your own — and your customers' — questions about Business Interruption, as asked and answered in a forum of 200 producers in Brooklyn. They will add to your knowledge of this important — and undersold market. Write us for this article which appeared in *The Hartford Agent*.

**Hartford Fire Insurance Company • Hartford Accident and Indemnity Company**  
Home Office: Hartford 15, Connecticut

## Ashton Named New Head of Midwest Agents Conference

(CONTINUED FROM PAGE 1)

importance that concerns the fire insurance business today.

Mr. Williams' appearance on this program and his cordial fraternizing with agency leaders was interpreted as symbolic of the arrival of a new era in fire insurance company-agency public relationships, with far greater emphasis on the agent and public equation in company circles. Another evidence of homonymy days was the luncheon tendered Tuesday to state association full-time secretaries by Western Underwriters Assn., represented by Manager E. H. Born and Assistant Manager Walter Dithmer.

Mr. O'Connell won further laurels for his performance. He has facility of expression, a sure touch, and a command of his subject that keeps the proceeding always in sharp focus.

There was a lot of curtain raising activity at Memphis Sunday in the form of an afternoon meeting and then a dinner of state association secretaries and a dinner for the state delegates, speakers and other V.I.P.'s. Several company headquarters also got broken in.

The ballroom of the Peabody hotel

was well filled Monday morning when the meeting opened with a film on the beauties of Tennessee, arrayed by W. T. Avery, Memphis, chairman entertainment committee, Rev. Wilfrid Cool, O.F.M., Memphis, who delivered the invocation, surprised the audience with his knowledge of insurance and the way he worked it into the prayer. J. A. Holmes, Ripley, president Tennessee Assn. of Insurance Agents, gave the address of welcome and R. A. Brown, Waterloo, Ia., responded, paying high tribute to the spadework of H. H. Corson.

### Carter Unable to Attend

For the first time in many years, G. W. Carter, Detroit, chairman and founder of the middle west agents conference committee, was unable to give his report in person, because of the death of his associate, L. J. Lepper. Mr. O'Connell read his report, into which he occasionally interpolated his own comments and paid high tribute to Mr. Carter's services over the last 25 years.

Mr. Carter's report included the flat prediction that automatic reinstatement on all fire and extended coverage poli-

cies, similar to the rule now in force in the southeast, would be adopted in the middle west soon and that unearned premium insurance would thus disappear. The report also described the filing of the America Fore plan for multiple location risks, as competition to the Escott plan. Mr. Carter said that he and his committee felt that it was for the best interests of everyone that the filing of these plans and of others, such as the manufacturers output policy, should be permitted and encouraged, with the public to be the ultimate judge as to which is best.

### Lists Subjects Considered

The report also listed as subjects which have been discussed at recent company-agent conferences screening of audit bureau criticisms, fire rate classifications, contingent business interruption insurance, replacement cost forms, installment term rules, subrogation practices and the father-son agreement for youthful drivers. The recent garage liability changes, Mr. Carter reported, are exactly as urged by agents. He praised the work of the fire insurance business in handling the unprecedented number of losses arising out of the autumn storms and also complimented National Surety on its recent advertising series, which urges people in specific businesses to get in touch with insurance agents.

Mr. Carter's report mentioned the recent study of the North Dakota legislature, which held strongly against compulsory automobile insurance. Mr. O'Connell pointed out that the demand for monopolistic automobile compensation funds cannot be ignored. Insurance men have already lost practically all automobile business in Saskatchewan and proposals along these lines have been offered in the legislatures of Ohio and other states. Such bills can usually be beaten in legislatures, Mr. O'Connell said, but most states have initiative and referendum provisions and no one should dodge the fact that a state fund abolishing law suits and paying medical expenses of automobile accidents, regardless of liability, would have a powerful appeal to voters.

### Additional Extended Coverage

Mr. O'Connell took over the discussion of the additional extended coverage endorsement, since, as chairman of the property insurance committee of National Assn. of Insurance Agents, he has taken part in the conferences which led to its drafting. He said it is far from perfect, but it does give the public additional coverage, it is a step forward and it should be supported rather than opposed on purely sectional grounds, such as that it does not cover flood, wave damage, etc. The all-risk endorsements of some carriers, he said, are based on selective underwriting, while the proposed form, which he called the "accidental extended coverage endorsement," can be added routinely to almost every policy issued by an agency, at a reasonable rate. He said he is personally convinced that it is a pretty equitable proposition, because, for each agent who thinks it is worthless, there is a company executive who thinks it will be murderous at the suggested rate. A number of animated questions followed Mr. O'Connell's report.

### Public Relations Luncheon

At the public relations luncheon Monday the speaker was Richard E. Farrer, a prime favorite of the agents, now secretary of National Fire and formerly educational director of N.A.I.A. He spoke of the need for agents to make a contribution to their communities apart from their regular work. Engineering and education, he averred, are the two resources that the insurance business possesses for such contribution. Engineering is in the company groove. Education is for the agent. In survey-

ing the entire field of community activity in which an agent can dedicate himself, there is, he contended, but one area in which the agent as an insurance representative has a distinctive place and that is fire safety and accident prevention. He is forever talking about risks and hazards and who is there to speak with greater authority in this area and to do something for his community beyond the call of duty? He made the telling point that if there were no such thing as fire prevention week the agents would be clamoring for it.

### Afternoon Session Divided

The entire group convened after lunch to hear Mr. Williams' message and then divided into two cells—one surrounding a panel for larger type agencies presided over by H. H. Corson of Nashville, and the other for what Mr. O'Connell characterized as "ordinary mortals" and which was staged by a five-man Badger team skippered by George A. Timm of Kenosha. His crew consisted of Don R. Morrissey of Appleton, Matthew P. Zendzian of Milwaukee, J. L. Ashton, also of Milwaukee, and Arthur R. Setz of Waterloo, Wis. Sitting close by and beaming in satisfaction was Urban Krier, manager of the Wisconsin association. These men brought out many practical home-spun points, but each one emphasized the all-important virtue of honesty in dealing with clients, that is, an honest appraisal of the risks and exposures surrounding them and honest and informed recommendations.

Mr. Morrissey drove home the point that when the agent has sold himself to his community then he can sell his product with far greater ease. Mr. Zendzian, a former prominent company man, who is having a fine success in agency work, insisted that the agent who provides the right service on his business will be so busy he won't be able to give a thought to competition. He advised his listeners to forget about the expiration dates of competitors' policies. Another piece of advice was not to use a field man on a job the agent can do for himself. Again he counseled bringing to the attention of insured that the values they are thinking of and that are on their books are those for depreciation and tax purposes. In considering insurance replacement values need to bulk larger.

### Handling Underinsured Accounts

Mr. Zendzian told of a successful device he uses for accounts that are far underinsured. For instance, he noticed that a household goods policy had been in the agency for many years and had been renewed always for the same amount of \$1,000. Mr. Zendzian wrote to this client that he had to refuse to renew this policy as he observed it was for a pathetically inadequate amount, and he advised the insured to call for an appointment. This got the results and now that insurance is in the amount of \$12,000.

Mr. Ashton contrasted the kind of production of insurance contracts that is based on an examination of every known exposure of the client with the salesman who set out to sell 100 limited A. & H. policies with a \$5 premium in one day. That kind of selling, he charged, is not being honest with self, public, or company. He referred to an agent that puts \$500 medical payments coverage on every auto policy without asking leave of the client. Mr. Ashton asked who is that agent to say that a particular motorist can have a loss under this coverage of but \$500. The honest procedure is to point out to the insured the peril and the possible costs. He preached an honest approach to the client's problem and taking it to heart.

### Handling Municipal Business

Mr. Setz, who for the past 14 years has been secretary of the Jefferson county association, gave advice based on long first-hand experience on handling of municipal business through an association.

The forum on agencies engaged in



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interstate operations was presided over by H. H. Corson, Nashville, past chairman of the conference, and featured C. A. Dawson, Fargo, member National Assn. of Insurance Agents executive committee; W. M. Sheldon, Chicago, past national executive committee member; C. M. Hunt, Nashville, and J. M. Hennessey, Louisville.

Mr. Dawson spoke on the need of clarifying ambiguities in insurance contracts and called upon N.A.I.A. to take a more aggressive position along these lines. He cited as specific examples what constitutes property usual to a dwelling in the dwelling and contents form, coverage of boats and equipment under the personal property floater, drive-other-cars coverage under the automobile policy, the residence and outside theft policy, honesty clause of reporting forms and the ancient insuring clause of marine policies on motor boats. Mr. Hunt urged the establishment of a research division by N.A.I.A., pointing out the need for this and the lack of any such source of information for agents, as distinguished from company activities.

#### Multiple Location Rating

Mr. Sheldon reviewed developments in multiple location rating. He said that the decision to let the different factions proceed with their own rating plans was a great step forward and he urged agents to use their influence with insurance departments to secure approval of both the Escott plan and the new America Fore group plan, emphasizing that competition is in the public interest and the acid test of public use will determine which is better. He outlined briefly the difference between the revised Escott plan and the America Fore plan, particularly that the latter uses size of premium as a factor in rating, while the Escott plan uses primarily number of locations and concentrations at one or more locations, and also that the America Fore plan may be used at risks with two or more locations, while the Escott plan has a minimum of five. Another important difference, he said, is that the America Fore plan, unlike any previous multiple location rating plan, permits term writing at the term multiple to which the risk would be eligible if it were written under specific insurance. He said that in his opinion the America Fore plan is less cumbersome, though both are necessarily complicated. He said that the manufacturers output policy of Aetna Fire is also useful, particularly in close competitive cases, though its scope is much more limited than that of the other two. A number of questions from the floor followed his discussion.

Mr. Hennessey closed the forum with a plea for a national rating bureau. He said that interstate operations, plus the crossing of bureau lines in recent multiple coverage policies, has made this essential and in his opinion it is the only way to avoid federal interference.

The rural agents' breakfast Tuesday almost filled the hotel's main dining room and a lot of detailed information as to coverage matters particularly was elicited through the question and answer route.

#### MANAGEMENT FORUM

At the general session there was an agency management forum with Kenneth Ross of Arkansas City, Kan., presiding. Russell V. Worgess of Battle Creek, Mich., gave a discussion of how the agent can cope with the personnel problem in the light of the competition for manpower on the part of defense industry. Walter Sheldon of Chicago predicted that the manpower stringency will become increasingly acute and he said the goal must be to reduce the manpower requirements of the agency without impairing its service. He recommended, for instance, revising the policy apparatus. Perhaps the fire companies might take a leaf from the book of the surety people and issue a master contract for a risk, with a notation of the liability of each company. Renewal

certificates might be more extensively utilized.

A continuous contract might be the answer. Indeed, he asked, why does the average insured need a policy at all? He might be given a contract that incorporates by reference the provisions of a policy on file with the state. A great deal can be done in the way of streamlining forms and endorsements. Small savings in typing requirements add up to a significant total.

Minor differences in classifications for rating might be discarded and differences in requirements of various kinds

from state to state are burdensome. At every turn it is well to ask why a certain procedure is followed and to do away with routines that can't be justified on any other basis than precedent. The business, he said, faces the imperative necessity for change.

#### Installment Payment Problems

H. J. Gescheidler of Hammond, Ind., spoke of the problems to the agent in the trend toward installment payment of the term premium.

H. T. Moran of Oklahoma City, president of Oklahoma Assn. of Insurance

Agents, injected a stern note of caution in speaking of collections. He said collections are tough and getting tougher. Starting last June, people went on a buying spree, remembering the last period of "hard to get." They were afraid of cheap dollars but didn't have plans for capturing a supply of such dollars before spending what they had and going into debt. Merchants also put everything they had into inventory.

He told of one merchant that said he couldn't pay his premium because his funds were all tied up. He mentioned he had \$80,000 inventory. Mr. Moran

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Watchmen's patrol efficiency 99 94/100ths %  
Alarms from Manual Fire Alarm Boxes . . . 1,261  
Insurable values of properties protected . . \$15,222,951,000  
Ratio of losses to insurable values protected . . . 2/100ths of 1%  
Fire loss immunity in 1950 . . . 99 98/100 %

AVERAGE FIRE LOSS IMMUNITY  
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#### SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE

Supervisory alarms, indicating temporary impairment of sprinkler systems . . . 171,529  
Waterflow alarms, caused by fires or serious leaks . . . 3,421  
Manual fire alarms . . . 112  
Insurable values of properties protected . . \$9,011,189,000  
Ratio of losses to insurable values protected . . . 3/100ths of 1%  
Fire loss immunity in 1950 . . . 99 97/100 %

AVERAGE FIRE LOSS IMMUNITY  
DURING THE PAST TEN YEARS 99 98/100 %

#### BURGLAR AND HOLDUP ALARM SERVICES

Attacks on ADT Protection . . . 1,951  
Entrances effected . . . 1,099  
Captures as result of burglar, holdup and other emergency alarms . . . 745  
Insurable values of properties protected . . \$2,654,611,000\*  
Ratio of losses to insurable values protected . . . 1/100th of 1%  
Burglary loss immunity in 1950 . . 99 99/100 %

AVERAGE BURGLARY LOSS IMMUNITY  
DURING THE PAST TEN YEARS 99 99/100 %

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pointed out he had but \$30,000 insurance and the merchant asked for \$50,000 more on the spot, even though he couldn't pay for the \$30,000. Mr. Moran said whenever an agent extends credit he should impress upon the insured that this is a special favor and is for a limited period. The agent needs to feel that he is worthy of his hire and entitled to his pay.

#### Tennessee Commissioner Heard

Final speaker at the morning session was Commissioner M. O. Allen of Tennessee, who revealed that he possesses a fine vein of wit. He was heartily applauded when he announced that the governor had signed an agents' qualification and license bill which is close to the model form. He expressed satisfaction that it was passed without a dissenting vote in either house. The law takes effect in 90 days and Mr. Allen said he hopes the machinery will be set up to start giving examinations then. He said he doesn't intend to put the business in a straitjacket but on the other hand the examination questions will be more than extracts from a primer.

A bill is in the hopper to increase the capital requirements of companies to about double what they have been.

In the afternoon there was a panel of insurance publicists with Levering Cartwright of THE NATIONAL UNDERWRITER as moderator. The panel members were Richard C. Budlong of the Local Agent of St. Louis, James Gregory of Rough Notes and James C. O'Connor of Fire, Casualty & Surety Bulletins.

### Personal Mention at Memphis Parley

Laurence Leggett, Missouri insurance superintendent, mingled with the midwestern group and attended the dinner Sunday evening for the delegates, speakers, local leaders, etc. He went to Memphis to attend a meeting Tuesday of an insurance commissioners committee on "thrif insurance" which is a combination of savings bank account, life insurance and A. & H. cover. He was shepherded at the agents meeting by George Oppenheimer of Kansas City, the Missouri delegate.

Walter Sheldon of Chicago and Mrs.

Sheldon went on ahead of time to visit O. Shaw Johnson, former N.A.I.A. president, and Mrs. Johnson in Mississippi. Then the two couples went to Memphis together.

Karl Dakin of Lebanon, Ohio delegate to the N.A.I.A. midwest conference at Memphis, and Mrs. Dakin, are motoring on from there to Tampa to inspect the Cincinnati Reds in winter training. They will stop at New Orleans and Biloxi en route.

Mrs. J. F. Van Vechten of Akron, wife of the N.A.I.A. veep, made her first air trip in traveling to the midwest conference at Memphis Sunday.

#### Plan Denver Industry Meet

Denver Assn. of Insurance Agents will sponsor an all-industry luncheon March 23. Principal speaker will be John A. North, president of the Phoenix of Hartford, who is president of Eastern Underwriters Assn. and chairman of National Board.

The association is planning a series of radio programs entitled "Dollars and Sense." It would be heard three times weekly for 13 weeks and would bring to the attention of the public the need for insurance protection.

#### Ohlinger Named Special

Dwight A. Ohlinger has been appointed special agent for Braerton, Simonton, Brown, Denver general agents, to travel New Mexico. Formerly an underwriter for that office, he replaces Kenneth Burgess, who is now in service.

#### Leopold on Mountain Card

Joseph F. Leopold, National Tax Equality Assn., has been added to the list of speakers for the Rocky Mountain Territorial Conference at Colorado Springs April 13-14.

#### Homan Is Reed & Co. V.-P.

Howard C. Homan, special agent for Reed & Co., Denver general agents, has been elected vice-president of that company. Mr. Homan has been with Reed & Co. two years. He had previously been with Houston Fire & Casualty and Traders & General.

#### Braddock General Re V.P.

General Re has appointed Robert L. Braddock, three years in charge of casualty underwriting in the New York office of Travelers, as vice-president. Previously he was in underwriting for Travelers at Philadelphia, Cleveland, Toledo, Indianapolis and Oklahoma City.

Frederick K. Trask, Jr., has been elected a director of General and North Star Re. He is a partner in the private investment firm of Payson & Trask and will represent on the boards the substantial interest in General Re stock recently accumulated by his firm and by his partner, Mrs. Joan Whitney Payson.

#### Shanley Named Director

Bernard M. Shanley has been elected a director of Federal and Vigilant. Mr. Shanley, a member of the law firm of Shanley, Congleton & Fisher, is counsel of Federal and a director and counsel of Cathay.

#### New Grand Repids Assn.

Grand Rapids Casualty & Surety

Assn. has been organized. This new organization an enlargement of the previous Suerty Underwriters Assn. there.

James B. Burr, Hartford Accident, is president; Gordon H. La Belle, Travelers Indemnity, vice-president; Arthur F. Harwood, Jr., Aetna Casualty, secretary, and C. B. Kingman, Standard Accident, treasurer.

#### Financial Responsibility Bill Through Senate

RALEIGH, N. C. — Prospects for enactment of a financial responsibility law at the current session of the North Carolina legislature have perked up considerably.

The senate has passed the financial responsibility bill by a wide margin and sent it to the house for final action. One amendment would eliminate necessity for filing reports on accidents occurring on motorists' own property or where no one else was damaged or injured.

The subcommittee took the model bill which was introduced early in the session, cut it down considerably in size, and inserted some amendments which left the body of the measure intact. It still would require motorists involved in accidents in which someone was injured or killed or the property damage exceeded \$100 to post 5/10/1 proof of responsibility unless either the commissioner of motor vehicles or a superior court judge held he probably was not liable. Drivers holding liability policies would have to furnish no additional proof.

Another bill has been introduced which would abolish governmental immunity of municipalities in tort actions and would authorize municipalities to spend general fund revenues for purchase of liability policies.

#### Crown in Casualty Field

In line with its expansion of group activities, Crown Life is now writing group casualty in conjunction with group life in both Canada and the United States.

#### Two More New F.R. Laws

Montana and West Virginia have joined Georgia in passing automobile financial responsibility laws. The Montana measure is a regular financial responsibility measure of the strict type, and that in West Virginia is pretty much the same thing. This brings to a total of 28 the number of states that have adopted the modern F. R. measure.

#### Set Tex. Motor Vehicle Hearing

The Texas department has scheduled a hearing at Austin March 19 to consider automobile B.L., P.D.L., and P.H.D. rates, rating plans, manual rules and endorsement forms for all types of motor vehicles. In a letter to companies, the department stated that any rate, revision or other changes approved at the hearing will not be made effective until May 1.

Joseph Green, burglary and plate glass underwriter with Home Indemnity and formerly with Continental Casualty, will conduct the sessions in burglary and allied line in the insurance brokers' course given by Brooklyn College adult education division.



At 50th anniversary party for T. E. Braniff, president of the T. E. Braniff agency and Prudential Fire of Oklahoma City—(left to right) W. F. Hoffrogge, vice-president of New Amsterdam Casualty; Hector Kottgen, vice-president of General Reinsurance; Fred Carnell, executive vice-president of North Star Reinsurance; Mr. Braniff and J. W. Lamble, president of North Star.

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ROBERT VAN DERSTINE, Vice President

#### Hold N Insure

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#### Stocks by Two

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## Hold N. Y. State Fund Can't Insure Third Party Liability

(CONTINUED FROM PAGE 1)

clerk to receive process. Presently the designation must be made each year in each county. The other would have released the surety on an appeal bond in the appellate division when an appeal is taken to the court of appeals, if the surety on the appeal in the higher court is different. This would have released collateral.

Another surety measure would amend the highway law in respect to construction of sidewalks by towns along state and county highways. This was approved. The public works superintendent would be authorized by another bill to cancel contracts for construction of highways or thoroughways if the work could not be done under United States government restrictions.

A bill that echoed the three railroad wrecks on the Pennsylvania and Long Island railroads was killed. It required certain railroad corporations and common carriers to file \$50,000 minimum insurance policies for bodily injury or death of each person, etc. Another that lost would have included fire and general liability with motor vehicle liability in assigned risks.

One measure to impose a direct premium tax on unauthorized foreign or alien insurers, including Lloyds, was killed.

## Stocks Trend as Indicated by Two Classes of Insurers

(CONTINUED FROM PAGE 7)

fell to .4% in 1942, went to 4.8%, fell to 1.4% and then to .8%.

This divergence in experience appears to be caused by two factors, higher expense ratio and higher loss ratio, with the higher expense ratio due to a lesser increase in premium volume over the period, 21%, which spread less premiums over overhead than the big five, and more intensive competition. The last factor may not happen again, at least to the same degree. The expense ratio of the big five declined 4.2% in 1941-45, that of the dozen decreased only 2.5%. The loss ratio of the big five rose 4%, that of the dozen with significant exceptions, rose 6.6%.

Mr. Davis thinks the answer lies in the atmosphere of business thinking in general and insurance thinking in particular in 1944-45, which was in terms of reconversion, large scale unemployment, the idea that deflation was just around the corner. Hence competitive devices should be sharpened rather than dulled by paying more to the producer of the business and more readily accepting questionable or uncertain risks. Both devices apparently were used by the dozen in 1944-45 and quite understandably under the circumstances. Acquisition costs were four points higher in 1945 than for the big five and the loss ratio is also significantly higher.

### Reasons for Defensive Issues

Apparently pension funds and store of value investors were correct in buying the big five. Yet there are significant reasons for making an investment as a defensive issue in selected issues of the dozen. In 1941 the big five were selling at an average discount of 2% from liquidating value, 1941 highs to 1941 year end liquidating value. Yet at year end 1941 the dozen were selling at an average discount of exactly zero from liquidating value. At current market the big five continued to sell at an average discount, with notable exceptions, of 2% from liquidating value. On the other the dozen had fallen to a discount of no less than 31% from liquidating value. The dozen with their portfolios of best name stocks therefore seemed fundamentally more undervalued.

There are good reasons to believe that the causes behind the poor underwriting experience of 1942, 1944 and 1945 are not apt to appear again. Companies indicate they will not attempt to

write war risk ocean marine again. Commissioners are not likely to decrease rates importantly in the future when the trend is so clearly to higher prices, if the educational effort to get commissioners to see the importance of the trend factor in the making of rates is successful. Property owners are more inflation minded than in 1941-45, so that presumably agents and insured would be far more conscious of the desirability of keeping insurance up to new values.

Also because there is an inflationary era, companies are not likely to sharpen competitive devices for the acquisition

of business as formerly nor accept risks they might otherwise reject. The business should operate generally at or near capacity. He also noted the successful use of the convertible preferred by Providence Washington, an idea that would seem to insure a substantial supply of insurance common stocks, will not be pressed on the market in the intermediate future. It took six years in the previous inflation, 1941 to 1947, before widespread financing was necessary.

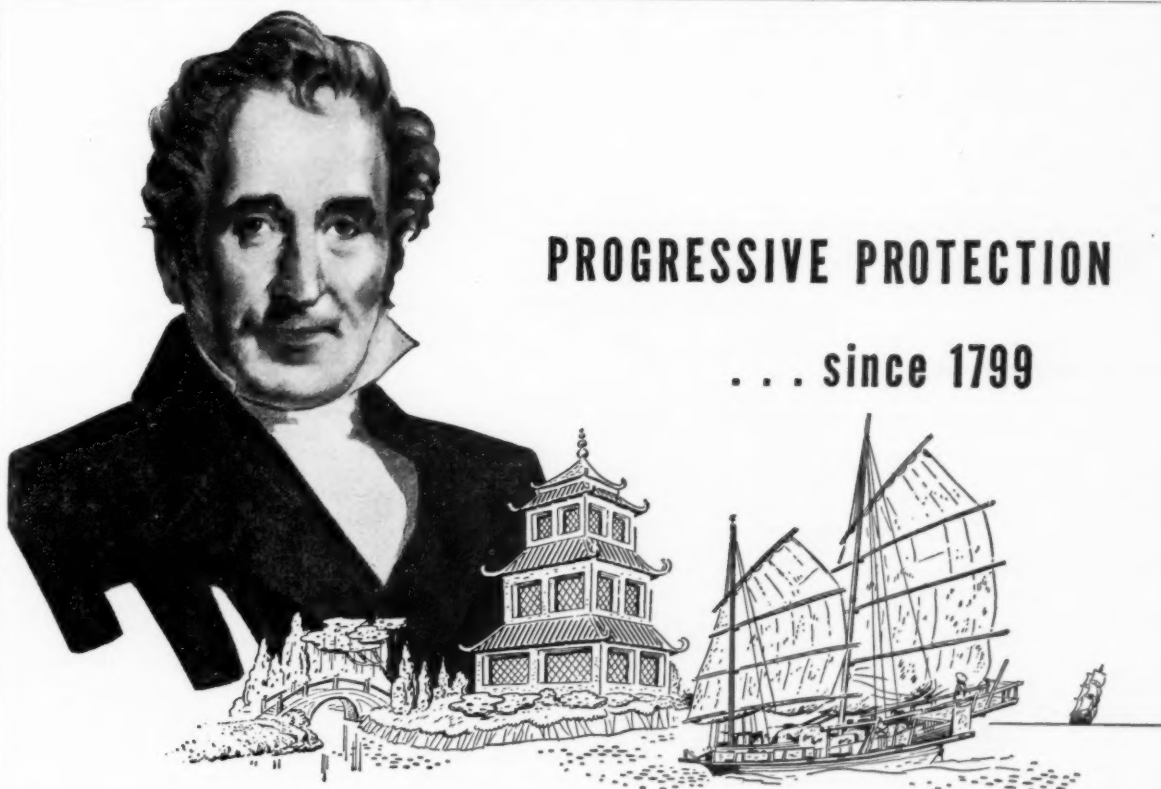
## Northrup FCIC Aid

F. B. Northrup has been named as-

sistant manager of Federal Crop Insurance Corp. He returns to the Department of Agriculture after three years with United Nations as secretary general of the international emergency food committee and director of the distribution division of Food and Agriculture Organization of UN.

## Elect at Jefferson City

Francis W. Roer has succeeded Ralph W. Kruse as president of Insurance Board of Jefferson City, Mo. Lyman Winter is vice-president and Miss Ethel A. Stone secretary.



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Son of Ebenezer Dorr who was captured by the British with Paul Revere on their famous ride, he was also the father of Thomas W. Dorr progressive leader of the abortive "Dorr War" which resulted in a new constitution for Rhode Island, providing the right of suffrage to citizens other than "landowners and their elder sons."

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## E. L. Williams Expounds Philosophy in Memphis Talk

(CONTINUED FROM PAGE 1)

clear, despite the high regard in which the business was held, and irrespective of the judicial outcome, that the case had implications which called for objective review of the conduct of the business and marked reorientation.

Capital stock fire insurance is a business for profit, to agent and to company; and also one of public service. A profit motive is not inconsistent with public service; but the concept of a business affected with a public interest has elements different from those of the usual commercial undertaking. It includes principles which delineate the extent of profit and the methods of realization, and imply the obligation of substantiating compliance with those principles.

In capital stock fire insurance, as conducted in our country, policies are not generally made directly available by companies to assureds, but through agents who are independent contractors. The American agency system is an element of the medium in which the business is conducted. The interests of companies and agents should not conflict; and the interests of both will best be served if properly harmonized with the paramount interest of the public.

### Need of Concerted Action

Fire insurance as an economic device for the sharing of losses implies concerted action. At the time of the South-Eastern Underwriters case, company executives urged upon me as counsel that the public interest demanded concerted action in rate making, since the experience of many was more conclusive than that of one, and experience was the basis of rates. Such a concept was epitomized in the expression "fire insurance rates make themselves." The rub lay in the fact that if insurance should be held to be commerce, it would be subject to federal anti-trust laws restricting concerted action. Those laws reflected the social, political and economic philosophies of our country, which, professedly, at least, in aiming at the freedom of each business and business unit, condemned restriction, monopoly, coercion and concerted action, and questioned concentration, centralization, domination by a few, and even bigness as such.

Company executives also urged the local character of fire insurance as largely concerned with fixed properties having individual hazards materially affected by local conditions. They pointed to this as requiring state rather than federal regulation, with concerted action by the companies in the several states and subject to state supervision.

### Doubted Supreme Court Action

I felt that under long standing precedents a decision in Atlanta would be favorable, but had grave doubts of results in the Supreme Court. I was convinced that the company executives had urged principles which were of the nature of fire insurance, and that with reliance upon them, an effort should be made to secure some relief from the federal anti-trust laws. I was also convinced that despite the philosophy reflected in those laws, a successful appeal could be made if predicated upon such principles, and that success would depend upon instilling in the Congress confidence in the good faith and integrity of the business.

Following a favorable outcome in Atlanta in the forefront of 1943, efforts at federal legislation were initiated. Discussion with company executives continued respecting reorientation in the business. Quite unexpectedly I was invited to become president of Insurance Executives Assn. The conduct of the fire insurance business had then been my major interest for over a year; the invitation offered an opportunity to participate with men of high character in a potentially constructive service to a great business and to free enterprise. I foresaw some of the difficulties and problems which would confront a participant, but I had faith in my convictions and, I hoped, the required courage. I have learned much in the ensuing years; and I retain my faith in the sovereignty of principles and, I hope, the courage which that faith should inspire.

Ameliorative legislation was secured in public law 15, and over the strongest opposition by the then administration. Of great significance is the fact that its enactment was predicated upon

sound principles, and that the Congress was moved by them and by the integrity of the approach by the business. The Congress has thus far retained its confidence in the business. It would not be wise to let down ourselves and thus let down the Congress.

Prior to a decision in the Supreme Court and public law 15, it was not too difficult to forecast the character of proper regulation, nor to foresee that beyond the necessities arising from the nature of the business, there would be no lessening of the pressure of the philosophy underlying the federal anti-trust laws. The so-called all-industry bill which has been the pattern for existing state regulation is generally consistent with, and prescribes conduct consistent with, the nature of the fire insurance business. It confirms rights and privileges; and also imposes corresponding obligations.

Insurance Executives Assn. determined upon, and publicly announced, a program of review toward revamping the conduct of the business. As was aptly put in substance by B. M. Culver (then chairman of America Fore) the aim was not only to comply with law, but to instill in the business a desire for, and the realization of, conduct rooted in right principles. The program contemplated exhaustive and detached study, faith and courage, no subservience to tradition, and no reliance upon restrictive rules, codes, agreements and prerogatives of the past.

### Revamped I.E.A.

The first step in the program was the revamping of Insurance Executives Assn. and other company-supported organizations concerned with the commercial aspects of the business. That was accomplished. It has not proved disastrous, as some may have feared. Insurance Executives Assn. is one of senior executives; its activities are directed toward study, research and recommendation in matters of major policy and substance having nationwide implications and commercial aspects. It has no restrictive rules or agreements. Every member has an equal voice. It relies for action upon the faith that that which is right will be done. It contemplates such cooperation with and between company-supported organizations as will serve the common good and preserve the local and regional character of fire insurance. It seeks no hindrance to sound individual initiative. It seeks informed judgment—that which is the judgment of the best and most experienced in the business. It prefers the results of a democratic process, whatever may be its disabilities, to the efficiency and advantage questionably attributed by some to the dictates of even a benevolent centralized authority. It regards proper conference and cooperation between agents and companies as inherently desirable in the business, and as an early step in its program reaffirmed provision for agent and company conferences.

### Get Use of Best Men

The pattern of company-supported organizations is designed to secure the use of the best men wherever located and thus minimize the danger of domination by a relatively few. It conceives of natural spheres of activity for the respective organizations, and coordination and integration for avoiding unnecessary duplication of effort and for securing unity in action. It advocates the wisdom of cooperative effort through organizations as opposed to the danger of action through temporary or independent committees or groups of a few. It deprecates action by any organization beyond its proper sphere.

With the revamping of company-supported associations, there remained some rules of agent-supported associations which might be construed as unwisely restrictive and as having the

assent of the companies. It was incumbent upon the companies to take cognizance of this and to make known their lack of assent. Despite the care with which communications of such a position were drawn, they were misconstrued in some quarters. I trust that with better understanding of motive, time and subsequent events have eliminated any resentment.

### Business Has Rights

There was also forecast that which is now apparent — an increasing understanding by supervisory authorities of the nature, principles and workings of our business, and the obligations implied therein. Commissioners must be expected to fulfill their obligations, and to require proper information for fairly concluding that they have done so. The business has definite privileges and rights, and corresponding obligations; and it must be prepared to substantiate insistence upon its privileges and rights, and compliance with its obligations.

The business itself should formulate and institute practices and procedures which from its nature are necessary or proper. It should do for itself; not have something done for it or to it because of its neglect or lack of study, foresight, or courage. Undue delay may give rise to questioning its good faith and the proposals ultimately made by it. Due expedition in the best job in its power will secure and perpetuate for the business the understanding and cooperation so essential between it and regulatory authorities; and thereby it will more easily realize the benefits and privileges which are its rights.

### Aim of Regulation

A primary aim of regulation is the solvency of companies; another is a fair relative sharing of the aggregate of premiums by insureds. Companies will not long remain solvent if rates are inadequate; and certainly there will be no profit. Aggregate premiums will not fairly be shared if rates are not reasonable or if they are unfairly discriminatory. Premiums, being for an undertaking for performance in the future, should provide for expected losses, expenses and profit. The concept of rate making reflected in regulation requires consideration of past experience, both loss and expense, trends and other pertinent factors, for determining in the present what should reasonably be expected for the future. If such factors are properly evaluated and reflected, "rates will make themselves" in schedules or systems for determining the relative hazards of risks.

The concept of rate making precludes any impediment to the operation of fundamental principles. Rate making can never be mathematically exact. Informed judgment must always play a part. There must be flexibility to meet varying conditions. But arbitrary provisions do not meet the requirements for informed judgment or proper flexibility. Distortions in rates have given, and will give rise to, practices detrimental to companies, agents, and the public. Such practices are symptoms of malfunctioning and are inherent in it.

Paramount principles forbid free operation of the laws of supply and demand; and they forbid many of the

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innovations of competition which may be proper in ordinary commercial business. Loss leaders, supporting lines, and January sales are not consonant with the nature of fire insurance.

Insurance Executives Assn. formulated, and there is now in operation by the National Board of Fire Underwriters, a system for classifying loss experience. I believe that system is ample for the present needs of the business, even though I also feel that perhaps the companies, independently of it, might well wish to supplement its results by an additional step, simple to provide for. Effort toward a company-formulated system for reporting expense data was suspended by what is known as regulation 30. A proper system should not be regarded as an imposition upon the business, for that could be made to serve it well in obtaining the rights and solving problems which exist and will arise. I am convinced that the system prescribed by regulation 30 is not as simple as it should or could be, and is not adequate for the needs of the business.

#### Continuing Rate Studies

Study of rating continues. There are many systems and schedules in use, each with its tradition and adherents. The required reorientation is not easy. Constructive outcome will hinge upon the realization of basic principles, reliance thereon, and perseverance in evolving therefrom practical application. Practical application of the ideal will not properly constrict; but it will not be found without perseverance, nor if effort is dominated by desire to preserve a status quo or to secure that which is not consistent with principle.

With a concept of the sovereignty of principles, it may be of interest to examine some present concrete problems and proposals, and consider what inquiry that concept suggests. Perhaps some enlightenment may come from a brief review of the development of the additional extended coverage endorsement.

The primary aims of that endorsement were to broaden the fire and extended coverage for the benefit of the public, and to increase the revenues of agents and companies. Superficial consideration might have suggested the broadest coverage possible at an adequate rate. But too broad a coverage would have necessitated a prohibitive rate and precluded a uniform rate. It might well have created disproportionate demand from less desirable risks having unusual exposure to one or more of the perils included. It was desirable to offer a package under which experience could be accumulated without distortion, and without detracting from the value of the experience under the existing extended coverage endorsement. The need of the average householder was foremost, and it was important to tailor the coverage to fit that need, and at an adequate rate, and yet one low enough to tend to attachment of the endorsement to all fire policies on dwellings. A cover suitable for nationwide use indicated the desirability of nationwide experience as the soundest and broadest base for rate. This indicated that for a uniform nationwide rate, the cover must be such that substantially the same experience might be expected nationwide, even though exposure to each separate peril was not identical in every section or in every risk.

#### New E.C. Form Not Perfect

The recently recommended additional extended coverage endorsement is not perfect; it is not easy to satisfy all. There will doubtless be revisions. But the approach of the first effort was sound and that most likely to reveal through experience any proper revision. It tended to lessen the possibility of unintentionally but adversely affecting some other aspect of the business.

Forms of coverage present a broad and fertile field for progress; but not all innovations will promote or denote progress, nor will all be sound or wise. The general adoption by all companies

of some forms which perhaps may be proper, in limited circumstances, or for certain companies, would not be advisable. New or varying forms are not warranted merely because they may secure some business. Objective appraisal of motives and purposes is wise and material.

#### Need Simplicity in Forms

Forms are directly related to rates; we may be called upon to substantiate rates, the rates for each cover, and rating is expensive; therefore a degree of uniformity is clearly indicated. A plethora of forms varying in mere language or immaterial substance could hardly serve a good purpose. Forms should be as simple as possible consistent with exactness in expression of intent and effect; but it would not be wise wholly to disregard local custom or language repeatedly and consistently construed. It is only wise for the companies to seek the views of agents on forms, for the agents are close to the insuring

public, its needs and demands; but it is to be remembered that forms will constitute the obligations of companies only.

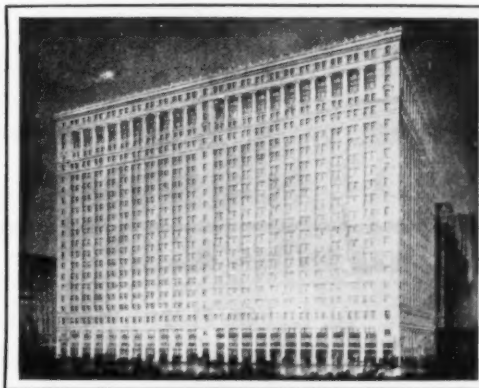
Both agents and companies, in the main, oppose installment payment plans. But condemnation alone will not lessen their use, and they have aspects other than that of installment buying. All such aspects are both directly and indirectly related to sovereign principles of our business. I am convinced that with reliance upon principles, and with objectivity and courage, the business will find that the most objectionable features of such plans arise out of some related malfunctioning, and that there is a solution rather simple in principle which will minimize those features through correcting the distortion. The ultimate result of such correction will be most beneficial in more ways than one.

Both agents and companies, in the main, question the use of deductibles in fire covers, and Insurance Executives Assn. has prepared and distributed to

supervisory authorities a commentary on the dangers and problems which will arise out of their use.

The problem of rating multiple location risks has long been presented. Solution has not been undertaken by Insurance Executives Assn. A solution presently accepted by all has not yet been formulated. That is regrettable; but where in good faith there are differences on principle, one may not fairly criticize lack of accord. Perhaps the genesis of the problem lies in action in the past, in a specialized field, without due regard to the whole of the business. There is something of comfort in the existing divergency in opinion, for I feel certain that conclusions will be the sounder. Also, I am convinced that ultimate solution will point to the desirability, if not the necessity, for pursuing anew some other considerations presently suspended.

A change in the pattern of company-supported organizations through the formation of a national rating organiza-



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tion has been suggested. Insurance Executives Assn. has not advocated such a course. I do not wish to engage in controversy, but I do feel it incumbent upon me to put some questions which provoke in me grave concern. They go to principles.

Does centralization or combination always result in economy or increased efficiency? Would rating, under a uniform system, uniformly applied by state bureaus, remove most of the reasons which have perhaps prompted the suggestion of a national organization, and thus afford realization of any advantages it might have without its disadvantages and dangers? Would some confidence in the integrity of standards and data, now independently formulated and accumulated, be lost if the product of an organization itself employing such standards and data in rating and other commercial activities?

#### Local Character of Insurance

Would such an organization be consistent with representations made to the Congress and to the states respecting the local character of fire insurance? What additional steps would be taken by regulatory authorities to supervise it for the effective continuation of state regulation? Would such an organization be consonant with the philosophy which questions centralization, monopoly, con-

trol by a few and bigness as such? Would it suggest or invite federal regulation because of a fear that with it the continuance of state regulation could not be effective?

Would such an organization inevitably assume or seek to assume the activities of all company-supported organizations? With all problems brought to it, could it most wisely and effectively deal with them on a national level? Would it maintain the initiative in, and the best and most effective service of, those now interested in regional and state organization affairs? Is there not advantage in having pressure and controversy decentralized, and in emphasizing local relations at the grass roots level, with agents, the public and supervisory authorities? Would such an organization, burdened with all problems, invite more and greater pressure groups? Would it afford mutuals an opportunity for organized and undue participation in all fire insurance affairs?

#### Equal Voice in National Body

Could all companies, large and small, keep adequately informed of the affairs of such an organization? Could they have an equal voice? Would there eventuate operation by employees or by a relatively few men assigned by companies who could afford to? Would any company wish to assume the responsi-

bility placed on one of its officers as one of the few? Would any company wish such responsibility assumed by others for it?

Could it be that advocacy of such an organization stems from a current tendency to seek a cure-all by delegating decision and action to a centralized authority?

A national rating organization could hardly solve the problems of multiple line writing, and it might encourage some action which would increase them. The term "multiple line writing" has been the subject of much confusion in thought. The writing of more than one line has long been engaged in by companies or groups, and now generally the individual fire, casualty or marine company may be qualified to write in all three fields. Many rather nebulously conceive that multiple line writing is merely the combining, in one package cover, of insurance against a number of perils traditionally in more than one field. In England, the companies generally have long been permitted to write in all fields, but they have only to a very limited degree found it wise to write such package covers. Often the mechanics have actually been simply the binding together of several separate covers in one folder.

Insurance Executives Assn. does not oppose the idea of multiple line writing.

It appreciates that a single signature or countersignature to a package cover might offer some economy, and that such a cover might facilitate the placing of additional insurance. However, package covers reflecting all possible permutations and combinations of perils could hardly be desirable. It advocates the most careful consideration of all factors involved before recommending a package cover for adoption generally.

It is incumbent upon us to make certain of the nature of both the demand and the need for a package cover; and demand and need are not synonymous. We should seek to meet proper demand, but we are not obligated to provide a package cover which involves unduly burdensome and complicated factors or when there is no real need therefor. A demand arising out of need by property owners, and service to them, is quite different from one created for competitive purposes or to secure individual advantage.

#### Problems of Package Policy

Large property owners more often have insurance programs, and to them the extent of coverage and the premium are of first importance. They may well wish a relatively small number of policies, although they may desire a number; but they will hardly feel that it is essential for them to have a single policy covering all perils against which they wish protection. They will desire differing relations between insurances which could not be met with a uniform package cover. One which includes perils not sought, or which omits some that are sought, would not serve them. Actually if a property owner wishes an agent to write all of his insurance in a single fire, casualty or marine company, and individual covers against all of the perils are available, that agent and the company could meet his needs by following the practice in England and binding separate policies in a single folder. It would be pertinent to inquire into that which would prompt the demand for or the use of a single package policy.

There are greater possibilities for a package cover for householders, and many companies, as well as Insurance Executives Assn. have undertaken and continue study of the formulation of suitable covers. The problems presented are by no means simple, and are inherent. For example, the perils of fire and extended coverage would generally seem to be the primary need, and to include a casualty or inland marine peril, with protection less than that afforded by a specific cover against that peril, would offer considerable danger of misunderstanding and undesirable public relations and yet the cost for the broader coverage might not appeal.

Rating for the respective perils included in a package cover is already provided, but the package rating for such a cover presents difficulty, and while a national rating organization would afford a single place for rating, it would not solve those problems. It would seem that a uniform package cover, at a package rate, would have to be predicated upon there existing a fixed and constant relationship between the amounts of insurance against each peril, and the same exposure to the perils included. Actually, however, such will not generally exist, for all property owners will not have the same relative values or the same exposures. Regardless of values and exposures, not all will appraise identically the effects of loss, not all will desire the same degrees of protection against the several perils, and some may feel that because of budget restriction they prefer themselves to assume some risk from some perils.

If a package cover is rated as such, it might be that the companies will be

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called upon to substantiate that rate by experience data for that package as distinguished from the experience data for separate peril policies or for other similar, but not identical packages. In any event the companies might wish to be prepared to so substantiate the rate. They may also deem it wise for the rate for every package cover to have a proper relation to the rates for other package covers, and to rates for separate covers against individual perils. Most certainly package covers will never wholly displace specific covers. A package cover should not be advocated merely to cut proper rates for separate specific peril covers, unless that package results in savings in loss or expense. If going rates for the separate covers are deemed too high, proper correction lies in those rates or the methods used for arriving at them.

#### Variation Also a Package

If a package cover is rated as such, then a variation therefrom might be held to constitute another package. It is not difficult to envisage almost innumerable variations, and many reasons for prompting their use. It could hardly be felt that the general public would understand the effect of the variations, and there is a real danger that many would not know what protection they are offered or what they had secured. The expense of rating many varying package covers, with the accumulation of data to substantiate rates, might entail a burden outweighing any advantage.

The potentialities of package covers demand continued study by the fire, casualty and other interests. The fire and casualty interests in co-operative effort have, wisely I believe, thus far concluded that the soundest and safest approach lies in each first determining upon desirable combinations in its field, and then, cooperatively, from demonstrated use and experience thereunder, determine what package covers including perils in both fields are desirable. The

additional extended coverage endorsement was a step in such a program; consideration of a burglary and theft endorsement for attachment to a fire policy is another.

#### Change Should Be Gradual

We should not be neglectful or backward, but it would seem that from the nature of multiple covers full realization of any advantages must be gradual, and that it would be only wise to make haste slowly. By no means does it follow that the business should leave initiative to the individual companies or forego cooperative effort; however it may well be the sound course is not to emulate individual companies, but rather await and objectively appraise the results of their experiences. Perhaps there is some illusion in multiple covers as a cure-all; and more of merit and service in traditional fire and casualty business than some may have recently felt.

I have presented for your consideration some of the principles which to me are among those sovereign in shaping the conduct of our business. If it is conducted in accordance with principles I am convinced that it will best serve itself and those served by it.

#### Too Intent on Own Affairs

I trust you have gathered from my remarks that I advocate freedom and a free economy. I believe you do also. Therefore I assume you share my apprehension that we, as citizens of the nation, have to an alarming extent departed from sound principles. Perhaps we have been too complacent in our abundance, too tolerant of ideas that we know or should know are unsound and dangerous, too intent upon our own affairs.

I am confident that if we should take a national vote on the single issue of socialism, the vote would condemn it; yet the votes on other proposals, each tainted with socialism, and designed to favor special groups, have frequently

demonstrated lack of faith in principles opposed to socialism or lack of consideration of the nature and effect of such proposals. It should be patent that subsidies or favoritism to, or too much power in, any groups contravene the principles of equality and weaken the national economy. Persisted in, they will destroy the freedom of all. This should be sufficient reason to resist any proposal, in any quarter, to favor any special group, particularly when the motive is obviously to obtain the votes of that group.

We still possess a great measure of freedom; but the question confronting us is how can we retain and increase it. Granted we must prepare militarily; nevertheless, we should strive to attain that objective through demonstrated faith in principles, without unnecessary restriction of freedom, and by strengthening, not weakening, our economy. The expenditure of our national wealth does not of itself do that or secure reliable allies. Our aggressors rely on weapons other than arms; we must not bankrupt our ideals or our economy. If our system breaks down, I fear most that we will be those who break it down.

#### Recognize Principles

Up to this point in the history of our country, we, as the people, have, in the main, given far too little thought to action consistent with our avowed principles, and to the preservation of them in our governmental and economic system. It behooves us now, all of us, to apply ourselves diligently to consider ways and means of preserving and strengthening them as actuating motives and standards of conduct.

I submit that we all should recognize the sovereignty and strength of principles in personal, business and public life; and because you have prominent and respected places in your communities, I suggest that you have a rare opportunity to act upon that doctrine. It is my firm conviction that if we adhere to it, we will preserve our way

of life, and in so doing our influence upon and with others will be more than merely persuasive.

#### Minn. Midyear Program Features Production Panel

A panel discussion on insurance production problems will feature the program at the midyear convention of Minnesota Assn. of Insurance Agents at Minneapolis April 10-11. This will wind up the meeting.

George A. Thompson, Lewis-Thompson agency, Minneapolis, will be the moderator. Speakers will be John T. Even, assistant western manager of Fireman's Fund, on "Why Are Some Accounts Headaches?"; Edgar Barton, assistant manager U. S. F. & G., Minneapolis, on "Opportunities in Casualty Insurance"; Frederick M. Kafer, assistant manager, Appleton & Cox, Chicago, on "Commercial Inland Marine Lines," and Ralph B. Clark, secretary St. Paul-Mercury Indemnity, on "Suretieships, or Are You Missing Something."

The convention gets under way the afternoon of April 10 with an address on business interruption insurance and other time element coverages by C. A. Snow, vice-president Phoenix-Connecticut. If time permits, Claude Casey, general agent London & Lancashire, will tell about Boy Scout work in fire prevention. The banquet speaker that evening will be Dr. George S. Benson, president of Harding College, Searcy, Ark.

Richard E. Farrer, director of education of National Fire, will speak at the "early birds" breakfast, sponsored by the farm and small town agents committee on "Building Agency Prestige."

D. Richard Mead, president D. R. Mead & Co., has been nominated for director of the Pioneers of Miami Beach. He was associated with Carl Fisher during the early days of the city.

G. N. GARDNER.....Vice-President  
J. M. B. PETRIKIN.....Vice-President  
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CARL P. ALLEN .....Ass't Treasurer

#### Statement of Financial Condition

## THE MERCHANTS FIRE INSURANCE COMPANY

DENVER, COLORADO

#### ASSETS

DECEMBER 31, 1950

#### LIABILITIES

#### Cash in Banks and Office:

Unrestricted .....\$ 301,577.72

#### Deposit from Reinsurance

Applicable to Catastrophe Loss

50,000.00 \$ 351,577.72

#### Bonds (at amortized values)

#### Note A:—

U. S. Government .....\$2,747,332.59

State .....35,708.33

Municipal .....526,886.99 3,309,927.91

#### Common Stocks—At Market Values:

Utilities, etc. ....\$ 24,800.00

Industrials .....108,300.00 133,100.00

#### First Mortgage Loans on

Real Estate .....290,798.64

#### Accrued Interest on Bonds

and Loans .....14,951.23

Agents' Balances .....\$ 300,013.36

#### Less Ceded Reinsurance

Balances .....57,996.97 242,016.39

\$4,342,371.89

#### Loss Claims in Process of Adjustment:

(Less Losses Reinsured—\$191,655.59) ...\$ 331,665.80

#### Advance Payment by Reinsurer Applicable

to Catastrophe Loss .....50,000.00

Accounts Payable and Accrued Expenses...61,983.85

Federal Income Taxes—Estimated .....34,574.75

Reserve for Unearned Premiums .....2,636,803.85

Reserve for Possible Loss of Accounts .....5,000.00

Reserve for Contingent Commissions .....35,000.00

Capital Stock .....\$400,000.00

Surplus .....787,343.64 1,187,343.64

\$4,342,371.89

Note A—The amortized values as of December 31, 1950, have been computed on the basis approved by the Committee on Valuation of Securities of the National Association of Insurance Commissioners. The U. S. Government bonds include \$225,000.00 principal amount on deposit with the Insurance Commissioners of the States of Colorado and Oregon.

#### POLICY HOLDERS' SURPLUS \$1,187,343.64

This Statement Is Based on Report Filed with the Insurance Commissioner of the State of Colorado

## EDITORIAL COMMENT

### Practice of True Safety Lags Behind

It is immensely disquieting to speak to a casualty safety engineer or inspector and to learn that a great percentage of industrial accidents are still due unofficially but actually to criminal negligence. One somehow has the impression that in this day with a great deal of spoken and written publicity given to safety that most accidents are the result solely of individual carelessness or by circumstances beyond the control of anyone. This is not the case, as almost any candid safety engineer will tell you.

The job of a safety engineer for an insurance company at least, can be a discouraging one. Safety techniques have been highly developed in this specialized field within the last quarter century, but the disparity between safety knowledge and conditions that actually exist is very great. Time and time again, the insurance company engineer is faced with a catastrophe about which he knows the facts and the facts point definitely to negligence. Reports made by public officials or accepted by the insurance companies frequently gloss over the truth. Accidents happen which were the result of machinery which is so out of repair and antiquated in design that it would make and has made self-respecting insurance company inspectors shudder. Lives are lost on building elevators where the insurance company inspector is painfully aware that the elevators are unsafe by any modern standards. The engineer is faced day after day with deaths and injuries which he knows were preventable.

There are many reasons why safety practices fail to live up to reasonable engineering standards. In many cities and states, the standards of government inspection of buildings and equipment and working conditions would be laughable if they were not so tragic. Insurance company inspectors and engineers many times place no credence whatever in the inspections performed by the government inspectors. They find that in too many cases such men are political employees with no qualifications for the job. They are under obligations to overlook what violations they can detect. In many cities, also, the official standards, codes or laws are terribly antiquated. Some large municipalities have standards for building elevators which make no allowance for modern improvements. An elevator built in 1897 can be a death trap from the point of view of modern mechanical developments. Yet the elevator codes in these localities merely provide that the

elevator shall be in good working order as of 1897 and no improvements are ever insisted upon.

The casualty safety engineers are kept from really doing their jobs by insurance agency pressure. Many an insurance company feels constrained to accept casualty risks from good agencies, even though these risks have failed to live up to minimum safety standards.

There are many of these accommodation risks. The insurance companies can make recommendations to the employers until they are blue in the face, but are powerless to enforce their recommendations where the account is a valuable one for other lines to the agency and the agency is valuable to the company.

There has been great progress made in the safety engineering field by the insurance companies. Most of the casualty companies are working conscientiously, despite the odds and pressures, to make their risks safety conscious. There are many evidences of splendid technical and educational programs carried out by the insurance companies and associations. It is a slow, evolutionary process. The only thing is that this is an area in which one can be less patient of slow evolution, because if the process could be speeded up the lives of many people would be saved.

National Safety Council has of course done a wonderful job of setting safety standards and of making the general public conscious of safety problems. The council has performed an important service in the job of making the industrial and commercial firms which comprise the membership aware of the responsibilities of management for safety. However, there is much more to be done in this area. The literature of National Safety Council contributes heavily to the bible of safety. However, as one engineer put it, the mere fact that a man has purchased a bible and puts it on his bookshelf does not mean that he is a Christian if he fails ever to read the book and to practice the principles enunciated therein. Far too often the splendid material passed out to members of the National Safety Council is not read or if read, is not acted upon. The written material is mere theory until acted upon.

For many an insurance safety engineer, the lag between safety knowledge and safety practice is still far too great. The agent has a part to contribute in seeking to get his risks to improve their safety programs. It takes courage to suggest to a client that he

spend more money in such a nebulous field as safety, but it is money that brings a real return in employee relations and, after all, we in this country feel that human life is priceless.

It is up to insurance company people to do what they can to resist the pressure to take accommodation risks which make no pretense of following any safety recommendations, particularly in those many instances where absentee or disinterested landlords or proprietors have refused to face up to their responsibilities.

It is the job of individual insurance people and insurance companies to do what they can to get the public safety ordinances in their field up to standard and to see that enforcement and inspections are adequate. We are a long

way from the dark ages in the matter of industrial and public safety, but we have still to reach an age of true enlightenment. The insurance safety engineers have been leaders in a tough fight and the public and the insurance companies and industry alike have been beneficiaries of their efforts. The battle, of course, may be more difficult as mushroom types of war industries spring up. However, it has been in these war plants with their unusual pressures and the need for the utmost efficiency that some of the best technological strides toward industrial safety have been made.

This is an area in which there can be no temporizing with forces of inertia in disregard of human values. Safety is an economic and social "must."

## PERSONALS

**Dan A. Gibson** of the Gibson local agency at Plymouth, Ind., has been elected a director of John Meck Industries, Inc., television manufacturer at Plymouth. Mr. Gibson was instrumental in having the company locate in Plymouth in 1941 and has served as its insurance broker since then.

**Harry T. Smith**, counsel for the accident and liability department of Aetna Life and for Aetna Casualty, has just observed his 45th anniversary with the organization. A graduate of University of Michigan, he took his law degree at Harvard and after practicing in Boston he joined Aetna as a attorney in the claim department. He was appointed counsel in 1917.

**Harry Mountain**, western manager of Aetna Fire, is in Florida for March, as has been his custom for the past several years. Before returning to Chicago he will attend the Western Underwriters Assn. meeting at St. Augustine in April.

**Lyman Drake**, head of Critchell-Miller, Chicago, returned with Mrs. Drake from a five-week European trip aboard the Queen Mary. Mrs. Drake went to Toronto to visit her mother. Mrs. Drake judged the figure skating championships at Milan for the International Skating Union.

**Philip J. Priore**, U. S. manager of Sun, was due back at his office this week after an extended illness.

**John R. Barry**, president of Corroon & Reynolds, is sojourning in Florida.

### Stanley and McCloskey Are Added to Buffalo Fare

At a morning forum during Buffalo Insurance Day at Hotel Statler April 3, talks will be given by H. Sumner Stanley, assistant general manager of New York Fire Rating Organization, and by Herbert J. McCloskey, burglary department manager of Globe Indemnity.

As previously announced, the speakers following the luncheon will be A. Bruce Bielaski, assistant general manager of National Board, and James C. O'Connor, executive editor of Fire, Casualty &

Surety Bulletins. Clarence R. Wheeler, general chairman of the day, will be toastmaster.

### Form New Adjusting Firm

Paul L. Johnson and Richard M. Worriow have formed Associated Adjusters, Inc., with headquarters at Los Vegas, Nev., operating from southern California to southern Utah and also covering the area in Arizona around Boulder Dam and the Grand Canyon.

Mr. Johnson has been an adjuster for 24 years, with Aetna Casualty, J. E. Schiffer Co., Western Adjustment and more recently with General Adjustment Bureau. He will specialize in inland and ocean marine, aircraft and fire and allied lines.

For six years, following service with the army air force, Mr. Worriow has specialized in casualty and automobile claims with Cass & Johansing of Los Angeles, and for the past year has been with Cantlon Adjustment Co. of Las Vegas.

### Importance of Speed in Settling Claims

The importance of speed in settlement of potential liability claims is illustrated in the following story. It was related by a business man who was aboard a New Orleans to Cincinnati train a year or so ago when a wreck occurred near the Tennessee-Kentucky border.

The business man suffered no injuries, though he was knocked into the aisle. Within a matter of minutes, a claim agent with a pocketful of release pads came through the train getting names. The train was 2½ hours late arriving in Cincinnati. In that time, the railroad claim agents had settled a number of claims.

To the business man, the claim agent suggested \$10 for any damage that might have been done to his clothing. In addition he asked if the railroad could not send him on by plane from Cincinnati to his destination. These offers he turned down. A few days after he arrived home, he received a check for \$15 together with a release.

## THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., PUBLICATION OFFICE, 175 W. Jackson Blvd., Chicago 4, Ill. SUBSCRIPTION DEPT., 420 E. Fourth St., Cincinnati 2 Ohio

EDITORIAL DEPARTMENT: Managing Editor: Levering Cartwright, News Editor: F. A. Post, Associate Editor: R. B. Mitchell, Assistant Editors: Richard J. Thain, John C. Burridge, Editorial Assistant: Charles C. Clarke.

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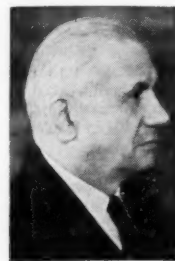




## DEATHS

### Founder and Chairman of State Farm Group Dies

**GEORGE J. MECHERLE**, 73, founder and chairman of the State Farm companies, died suddenly from a heart attack at his home at Bloomington, Ill. He had been in good health, and was at his desk as usual the previous day.



G. J. Mecherle

Mr. Mecherle, following a successful career as a farmer and tractor salesman, founded State Farm Mutual Automobile in 1922 and by 1941 had brought it to the top rank as an insurer of automobiles. As companion companies he established State Farm Life and State Farm Fire & Casualty, both of which are now large and successful.

The original purpose of State Farm Mutual was to provide low cost automobile insurance for farmers, but its operations were later extended to other classes of automobile owners. Mr. Mecherle pioneered a completely new approach to automobile insurance, based on payment of a single rather than annual commission for policies sold, a "continuous" policy, renewed by premium payments and not rewritten each year, and semi-annual premiums. It now operates in 40 states, District of Columbia and parts of Canada.

Mr. Mecherle was also chairman of United Farm Mutual Reinsurance of Bloomington, which provides reinsurance facilities for local Illinois farm Mutuals. Last year he was elected a director of U. S. Chamber of Commerce. He was a 33rd degree Mason and active in civic and political affairs. He was a delegate to several Republican national conventions.

One son, R. P., is president of State Farm Mutual and another, G. Erward, is secretary of that company. Both are vice-presidents of State Farm Life.

**HOWARD WELLS**, farm special agent for Hartford Fire in Kentucky, died of a heart attack in his office at Louisville. His age was 59. From 1920 to 1923 he was in a local agency at Taylorville, Ky., that was founded by his father and with which his late brother, Nicholas Wells, was also associated. In the latter year he joined Hartford in the southern department in Atlanta, and then traveled later in the southern field. He was subsequently transferred to the western department and had been farm special agent in Kentucky for many years.

**H. BELDEN SLY**, 76, retired secretary of Eastern Underwriters Assn., died on the golf course at St. Petersburg, Fla., apparently of a heart attack.

Mr. Sly entered the local agency operated by his father at Elmira when a youth. He went with Continental as special agent in West Virginia in 1904 and later was with its New England department at Springfield and at Boston for that company. He became manager of the newly formed stamping office of

the Boston Board of Fire Underwriters in 1918 and in 1921 joined Employers Fire as vice-president. He went with Eastern Underwriters Assn. in 1927 and in 1928 became manager of Eastern Underwriters Inspection Bureau. In 1929 he assisted in the formation of Interstate Underwriters Board and in 1933 became secretary of E.U.A.

**JOHN W. THOMSON**, 69, retired since 1941 as vice-president and actuary of North American Reassurance, died at Miami. Mr. Thomson went with the company in 1924. Born in Scotland, he started his actuarial career there.

**ALBERT C. HENCKEN**, 79, retired partner of Stewart, Hencken & Will, New York City agency, died at his home at Greenwich, Conn.

**MRS. ELSIE COLFORD**, wife of W. J. Colford of the Chicago adjusting firm of Colford-Haase, died at her home in Chicago.

**CARL E. PUTNAM**, 58, president of Insurance Associates, Richmond, Va., local agency, died at his home there.

**WILLIAM E. MUELLER**, 45, secretary-treasurer of the Theodore Mueller Co. agency, Milwaukee, died at his home after a heart attack.

**GEORGE G. SCHWENKER**, 78, local agent of Honesdale, Pa., died. He was a past president of the Honesdale Chamber of Commerce.

**GERALD J. BUTLER**, 43, local agent at Scranton, Pa., died there. He was a veteran of the last war.

**THOMAS E. GARRISON**, 52, local agent at Morgantown, N. C., died there following several months of ill-health.

### Insurance People on Safety Card

Many insurance people are participating in the annual safety convention and exposition of the Greater New York Safety Council in New York City April 3-6. These include:

T. J. Hickey, Travelers, chairman of the session on modern machine guarding; and George Stiles, Aetna Casualty, and O. D. Bayrer, Travelers, who are speaking at that session.

R. K. Ruesch, Fidelity & Casualty, arranged the session on elevators, and James L. Keane, Aetna Casualty, will speak at that session. L. A. Faulkner, Liberty Mutual, is on the food and beverage section program, and Thomas J. Duffy, Liberty Mutual, is arranging the session on art of inspection.

Also, Ralph E. Kellett, Utilities Mutual, will speak at a public utilities session.

#### Industrial Nursing

Margaret Sinnott, head nurse of Metropolitan Life is, chairman of the section on industrial nursing. Mr. Duffy and Charlotte Sanderson of Liberty Mutual will appear on that program.

Matthew M. Braidech, research director of National Board, will appear on the fire protection panel, and E. G. Meiter, Employers Mutual Liability, on the accident prevention session. John P. Malloy, General Accident, is chairman and Frederick F. Beik, American group, is arranger for the session on commercial vehicles. Ralph F. Brimmer, Employers Liability, will discuss sudden blindness at the eye protection meeting. John A. Quesal, New York state fund, is chairman of the panel on construction. George E. Decker, Aetna Casualty, is chairman of the session on "moving ahead in your job," and H. B. Walker

Underwriters Laboratories, will discuss the phenomena of electric shock.

Mrs. Kathleen K. Devine, Metropolitan Life, is arranging the session on home safety, where Mildred C. Sommer, Underwriters Laboratories, will discuss television as a new home problem.

O. P. Peters, Employers Liability, is on a public utilities program.

#### Two Insurer Exhibitors

Aetna Casualty and Metropolitan Life are exhibitors.

Ellen D. McKeon, American Mutual Liability, is on a home safety program. In another field, John V. Grimaldi, Assn. of Casualty & Surety Companies, is chairman of the material handling session. Marland K. Strasser, Assn. of Casualty & Surety Companies, will be on a panel dealing with training and retraining. H. W. Heinrich, Travelers, will discuss accident prevention for smaller plants, and Everett W. Martin, Liberty Mutual, will speak on that panel.

James J. Donlon, assistant staff supervisor, Metropolitan Life, is arranging the session on building management.

Walter A. Cutter, center for safety education, New York University, is chairman of one accident prevention session.

Walter Gustafson, Lumber Mutual Casualty, is general vice-chairman, and there are a number of insurance men on the committees arranging for the exposition and convention.

### Los Angeles Loss \$300,000

Insurance losses in a fire that destroyed the Rude building at Los Angeles are approximately \$300,000, with the building owners and eight tenants involved. Loss on building was about \$90,000 in Agricultural and English-American Underwriters, with a rental policy of \$15,300 in the latter. Tenants' coverage ranged from \$3,000 to \$50,000, with a large number of companies involved.

### Region 2 Women Elect Morris

Maggie Morris, Durham, N. C., was elected regional director of region 2 of National Assn. of Insurance Women at a conference at Washington attended by about 150 women. The nominating committee recommended for national officers Edna Mae Gay and Mrs. Eleanor Smithson of the U. S. Chamber of Commerce insurance department.

Included on the program were Richard Marshall, president Insurance Managers Assn. of Washington; P. Norman Fenton, secretary of Home at Washington; Arch N. Booth, executive vice-president, and A. L. Kirkpatrick, manager of the insurance department, U. S. Chamber of Commerce; Maurice G. Herndon, Washington representative of National Assn. of Insurance Agents, and Georgia Neese Clark, U. S. Treasurer.

### Honor 60 Year Representation

Northern Assurance sent congratulations to Starr & Thompson of Henderson, Ky., on their 60th anniversary as agents of the company.

The executive board of Federation of Insurance Women of Texas held its midyear meeting at Austin. Natalie Owen, Galveston, president, presided. Application for a new club at Wichita Falls was approved.

## RELIABLE

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The Northern Assurance has provided reliable Insurance Protection for over 114 years.

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## Mass. Fire Rates Down 7% Overall

Commissioner Sullivan of Massachusetts has announced an overall fire rate reduction of 7%, effective March 12. The estimated premium difference will be \$3,636,000. However, there are both increases and decreases in the new schedule.

The largest reduction, approximately \$1,931,000, was approved for mercantile stock. The next was about \$593,000 for non-brick residences. Residential property within two or three miles of a fire station will receive lower rates.

Public garages get a 25% cut across the board, as do bank and office building contents, mercantile contents and protected public buildings.

There is no change in rates for brick protected bank and office buildings, but fire-resistive buildings in this class get a reduction of 20% and frame protected

and frame or brick unprotected go down 17%.

Most theatres and movies get an 8% reduction and fire-resistive ones go down 10%. Oil risks other than fire-resistive get a 17% reduction.

All of the above are unsprinklered risks. Sprinklered non-manufacturing and mercantile, brick frame, get a 17% reduction. Other sprinklered risk rates are unchanged.

### Increases Shown

Classes where rates are increased 25% are: Chemical manufacturing, all but fire-resistive; miscellaneous manufacturing, all types of construction; and food plants, protected frame and unprotected frame or brick. There is no change in rates for protected brick food plants, but fire-resistive risks of this type get a 20% increase.

Rates for miscellaneous non-manufacturing specials remain unchanged, except for fire-resistive, which get a 20% increase. Rates go up 4% for metal

workers. Woodworkers are unchanged, except for fire-resistive, which go up 20%.

Dwelling rates are unchanged, except for some in communities graded E and F, which get a 25% reduction. Dwellings affected by this change are those without public hydrant protection located between two and three miles from a fire station.

## Asks One Agency Speak for Industry in Big Losses

Thomas F. Buchanan, vice-president of Aetna Fire, in his address at the annual meeting of Fire Underwriters Assn. of the Pacific last week at San Francisco, put forth a warning on the future crises that may arise when windstorms not even as large as those that struck the middle west in May and the eastern seaboard in November recur.

Mr. Buchanan said that it was thought that the extended coverage market had been well covered but there was an inundation of endorsements adding extended coverage following the eastern storms. It was an eye-opener, and it is obvious that the next time a storm occurs, even if not as serious as the one with which the companies are currently dealing, the number of claims will be considerably more than have been experienced in the past.

### Early Solution Necessary

While no conclusions have been reached, Mr. Buchanan said this is an industry problem, and an answer must be found in the near future. He suggested it may even involve a regimentation of adjustment facilities for the period of the emergency so that the adjusting bureaus, the independent adjusters and the company staffs will be directed by one agency, possibly National Board. Mr. Buchanan says he has been told that this is an idealistic viewpoint, but emphasized that some way must be found to deal with this type of emergency. There should be one organization authorized to speak for the industry during a widespread loss with regard to the interpretation of coverage. In the confusion that exists, it is obviously impractical to suggest that adjusters should in all cases submit such questions to the companies.

It is not in the best public interest to permit adjusters who have been handling exclusively third party casualty claims, generally with a wholly legal background, to handle contract claims direct with policyholders, Mr. Buchanan opined. Despite the exceptions to this rule, it would stand in any large service organization. Several of the casualty companies have discovered this for themselves and set up a line of distinction so far as possible. The attempt to reeducate third party claim men to adjust direct damage losses to automobiles, for example, has been a costly and unsatisfactory experiment.

Mr. Buchanan reviewed the progress in loss adjustment practices, and said that there is an increasing trend toward the use of National Board guiding principles in solving loss problems.

## International A. & H. Assn. Annual Plans Progressing

Elmer Wheeler, sales consultant, and Travis T. Wallace, president of Great American Reserve of Dallas, will be two of the headline speakers at the annual convention June 10-13 of International Assn. of A. & H. Underwriters at Dallas.

Bert Jaqua, director of insurance marketing at Southern Methodist University, will speak at the first business session.

Mr. Wheeler will talk at the luncheon June 11, and Mr. Wallace at the closing session.

Headquarters will be at the Baker hotel, and the association has made arrangements for handling an overflow registration. On tap for the ladies is a style show and a book review. There will be a social room available in which hostesses will assist in planning tours.

## Springfield Sets Premium Record

Consolidated assets of the Springfield group reached a new all-time high of \$93,568,004, at Dec. 31, 1950. Consolidated underwriting profit was \$1,779,671. Net premiums increased 3%, resulting in the largest volume ever written by the group. The precise figure was \$44,302,108.

Claims received by the group from the November storm will reach at least \$20,000, and the gross loss may amount to \$2½ million. The net loss, however, will be very much less.

Losses and loss adjustment expenses incurred were 52% of earned premiums, versus 48.2% last year. Other underwriting expenses were 40.5% of written premiums against 40.1% for 1949.

The consolidated surplus, including voluntary reserves at the end of 1950, was \$26,962,628, an increase for the year of 19.5%.

## Equitable Increases Cover of Montgomery Ward Group

The casualty portion of the group program carried by Montgomery Ward & Co. of Chicago in Equitable Society has been substantially liberalized. The huge group embraces approximately 54,000 employees and between 20,000 and 25,000 dependent units. New surgical benefits are now provided on a \$200 schedule for both employees and dependents. The maximum sick benefits have been increased from \$25 per week to \$35. Daily hospital benefits have been increased for both employees and dependents.

Since the passage of the California U C D law, Montgomery Ward has covered 6,000 employees in the California state fund. The California employees of Montgomery Ward & Co. will now be offered an insured benefit plan with Equitable. Payment for first day accident, and for fourth day sickness, continuing for 26 weeks is provided, which is more liberal than the coverage offered by the state fund. The hospital benefits required under California law are provided and are supplemented by additional benefits under Ward's hospital plan. All of these changes go into effect April 1, 1951.

This group was first underwritten by Equitable in 1912. There was provided only life insurance and accidental death and dismemberment up until 1947. At this time, a self-insured sick benefit plan with limited hospital and minor surgical provisions was replaced with an insured sick benefit plan for employees, and daily hospital benefits for employees and dependents.

## Buckeye Union Promotions

Five new directors have been added to the board of Buckeye Union Casualty and three to the board of Buckeye Union Fire.

Elected to the casualty company board were Fred C. Sass, claim manager; Donald R. Haverick, liability department manager; S. W. Schellenger, agency superintendent; J. H. Beidler, resident vice-president at Akron, O., and Charles M. Hebble, resident vice-president, Cincinnati. Elected to the fire company board were Mr. Hebble, Mr. Schellenger and W. T. Cuddy, assistant secretary.

James R. McGarry, formerly assistant secretary, was elected executive secretary of the casualty company. W. Donald Walter, Ohio automobile underwriting manager, and Henry T. Weaver, manager of the indemnity department, were named assistant secretaries. Joseph T. Thatcher was named counsel for the casualty company and John J. Dersom, Jr., auditor for the fire company.

W. Dudley Gale of Gale, Smith & Co. has been appointed chairman of the civic development committee of the Nashville Chamber of Commerce.

## WANT ADS

Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER — FIRE & CASUALTY EDITION

### FIELDMAN

Wanted by prominent group of stock fire insurance companies (headquarters and Southern Department in New York) to develop Georgia and South Carolina business. Unusual opportunity—attractive salary. Experienced fieldman preferred but will consider man of adequate ability and training obtained through service in general agency or company office. Reply giving personal history, experience and salary desired. Address E-19, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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### SPECIAL AGENT

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PHOENIX-LONDON GROUP  
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## Mutual Conference Reviews Auto Underwriting Problems

All angles of automobile underwriting were taken up at the underwriting conference at Chicago of Conference of Mutual Casualty Companies. The increasing loss ratio on automobile lines formed the main topic for lobby discussions, and was credited for the large attendance, 125, and the fact that heads of underwriting departments generally were on hand. However, it came up only indirectly in the program, in a discussion of the current increase in frequency of claims. Among the reasons assigned for that increase were the increase in industrialization, faster automobiles and the uncertainty among the younger men as to their future status, which is affecting the parents as well. The latter reason tied in with two other problems which were made the subjects for especial discussion—the youthful driver and coverage for servicemen.

An entire day was given over to automobile underwriting, with Bryan Connell, Farmers Mutual Hail, as chairman. There were three panels in charge of various sections of the discussion, the participants being W. L. Trankle, Farmers Mutual Liability; C. L. Stillman, Milwaukee Automobile; J. R. Koenig, Farm Bureau Mutual Auto; John F. Martin, Motorists Mutual; Karl R. Buehler, Beacon Mutual Indemnity; J. K. McLean, State Farm Mutual Auto; R. R. Nelson, Rural Mutual Casualty; L. E. Benson, Mutual Service Casualty; O. D. Danby, Auto-Owners; H. C. Ewert, Jr., Badger State Casualty; Jack D. Trombla, Standard Reliance, and E. J. McGlynn, Wolverine Mutual Motor.

### Get Youngsters' Viewpoint

Mr. McLean, in discussing the youthful driver situation, told of the efforts his company has made to get at the youngsters' own viewpoint, through luncheons for small groups of teen-agers and conversations with individuals and their teachers, sufficing to give what it considered a real cross-section. In most cases they apparently gave honest answers, although they were apt to go back to their own personal driving experience. Quite generally they showed a poor attitude. Admittedly one of the reasons for bad experience was a desire to show off. Others were lack of responsibility, which had not been instilled in them; insufficient or no instruction in driving, and lack of supervision by parents.

It developed that these young groups know who are the poor drivers in their school or, in the smaller places, the community. Usually their parents and neighbors don't know, as they are more careful when they are nearer home. Based on these facts, arrangements have been made with one of the inspection companies for a different type of inspection report, with the information obtained from the people that do know and by means of questions especially framed to get the desired result.

It was stated that the dangerous drivers among the teen-agers are in the minority and the agitation on the subject has in some cases caused them to feel that they are discriminated against as a group.

### Driving Courses in Schools

There was of course much discussion of driving courses in the schools and it was brought out that at least one company gives a better rate to those completing such courses. It was stated that some driving courses make no mention of the insurance angle but it was brought out that the National Education Assn. booklet on setting up such courses, which was praised very highly, has such material. It was pointed out that some school boards don't have the money to

install courses and it was urged that insurers help to provide them. Automobile dealers have been taking the lead along that line.

The value of safety films in the schools, how they should be used and the ones that are available were reviewed, along with the need for educational work among parents as well as children.

One suggestion was made that it would be possible to write the youthful drivers if a proper rate could be worked out, but there was some dissent from that view.

The question of youthful drivers under assigned risks plans was raised and it was declared that there are far too many of them assigned there.

The discussion aroused very great interest and a resolution was adopted instructing the board of directors to see what could be done toward coordinating the various activities reported and working out a program.

### Writing Servicemen

Some of the same problems exist in writing servicemen, together with the fact that they are moving all over the country, the congested traffic around the camps and the uncertainty as to who may be driving the car. The general feeling, however, seemed to be that the companies have a responsibility along that line and will continue the insurance where at all possible.

A number of companies are using an endorsement to confine the coverage to the named insured, to get away from the possibility of loaning the car to almost anyone in camp. When the serviceman's car is laid up at home, the liability usually is suspended and the fire, theft and comprehensive continued.

There is usually no question about renewal of coverage but on new risks the companies may be a little "choosy." However, at least one company was told by the commandant of an armed forces installation to take 'em or else. It was admitted that there are those in Washington who would gather information on such cases with great glee.

Renewals usually are written at the insured's home address and the question was raised as to whether a company not licensed in the state where the soldier was stationed might get into trouble thereby, but that was dismissed as not likely to be at all serious, as was a query about drive-other-cars provisions with relation to the insured operating military vehicles or tanks in battle areas.

### Question "Clean Risk" Elimination

Even though it was admitted that there is a general trend toward liberalization in connection with assigned risk plans, the general sentiment seemed to be unfavorable toward elimination of the surcharge on so-called "clean risks." In the first place, the position was taken that most of the people in such plans have something wrong with them or they wouldn't be there and that a temporary failure to get into trouble is not enough to get them out of that class. It was stated also that elimination of the surcharge means an over-all premium reduction and that the present premiums for the group as a whole are inadequate.

Two managers of assigned risk plans, Ray H. Miller of Ohio and John D. Pearson of Indiana, were in attendance and were asked for their comments.

Mr. Miller said that Ohio does not have one of the uniform plans, that most of the people in it were there for good, specified reasons and that there had been a steady increase in assignments

## Employers, Insurers Oppose Mass. State Fund Sickness Bills

BOSTON—Massachusetts employers and insurers have joined to oppose cash sickness non-occupational disability benefits on a monopolistic state fund basis. Insurance men, however, are abstaining from participation in the controversy over alternative all-private or competitive state fund proposals.

After a week of hearings, the legislative committee on labor and statistics is now considering many bills concerning cash benefits. It is generally believed that the monopolistic state fund bill has a slim chance of being passed, while alternative bills have an equally gloomy outlook.

Massachusetts Federation of Labor and C.I.O. are lined up as they were last year in support of a monopolistic state fund proposal for non-occupational disability. The bill at that time was defeated. This year, however, Gov. Dever has gone on record as supporting the state fund plan.

In denying a charge that a state fund would be socialistic, Secretary Kenney of Massachusetts Federation of Labor stated that sickness compensation is no more socialistic than the social security program. B. B. Priest, counsel for Insurance Federation of Massachusetts, in opposing the monopolistic bills, has declared that the workers of the state would storm the hearing in protest if they realized that the proposal would mean another governmental slice out of their pay.

The Massachusetts house has killed the monopolistic compulsory automobile state fund bill. Another bill, which would bring workmen's compensation under a monopolistic state fund, received adverse action from the committee on state administration.

In the past four years, with the rate still going up. He said strong pressure groups are working for changes in the law but hopes that it will be retained until it is possible to determine what the charge should be. He said that is not enough experience at the present time.

It was stated that where the surcharge has been removed some companies are making new filings so as to include it in the regular rates.

### Writing Old Cars

Mr. Pearson said he would like to have more time to study the question and that he had experienced no pressure for elimination. He said the largest group under the Indiana plan consists of habitual drunks. In connection with the 15-day waiting period, he asked that the companies not take the full time, making it necessary for his office to rush things through at the last minute.

There was some difference of opinion in regard to old cars. One official said he insured the driver, not the car, and others reported fairly good experience on near-antiques, but in general only limited coverage is given on cars of 1937 or earlier and no comprehensive on cars back of 1941, although some will write it on renewals. One company is offering what it calls comprehensive limited, the limitation being mainly on glass.

Problems in connection with writing several specific classes were discussed.

Also at the automobile session, Karl R. Buehler spoke on the danger of socialization of insurance, referring mainly to steps to combat it which have been taken by A. & H. insurance and particularly H. & A. Underwriters Conference, including getting the people to understand what it means, removing dissatisfaction on the part of policyholders.

(CONTINUED ON PAGE 34)

## N. Y. State Fund Can't Insure Employer's 3rd Party Liability

### Court Decision Puts All of Fund's Policies in Question —May Seek Refunds

NEW YORK—Under New York law the state fund, largest single workmen's compensation insurer in the state, does not have authority to insure employers' third party liability. The New York state court of claims has so ruled in Cardinal vs. New York.

This has put in question all of state fund's policies. There may be an effort in the closing hours of the legislature to amend the law to correct the matter as concerns the fund's outstanding W.C. policies. There is, of course, the possibility that there would be calls by insured for refunds as to the portion of the premium paid for the 1-B cover.

This was the case in one phase of which United States Casualty was involved, and in which National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau intervened. The case was dismissed as to U. S. Casualty.

The case arose out of an accident in 1945 while Cardinal, under contract with the federal government, was repairing a ship owned by the United States. Through the negligence of Cardinal's employees, ammonia escaped from the ship's refrigeration system and injured 18, one of whom later died.

The workmen's compensation payments were made by the state fund, whose policy includes section 1-B, covering the employer's liability, a standard W.C. cover. The administratrix of the dead employee and 17 injured filed admiralty suits against the U. S. as owner of the vessel, alleging negligence. The government claimed the right to indemnity if held liable and filed third party petitions impleading Cardinal in each suit.

Coverage for this liability is expressly provided now in paragraph 10 of the national standard endorsement of the W.C. policy. Cardinal's 1945 policy was issued before paragraph 10 was devised and did not expressly approve such cover, but Cardinal demanded the state fund defend in the government's suits. The fund refused unless Cardinal agreed that its liability would be limited to \$25,000, a limit endorsed on the fund's policy for longshoremen's and harbor workers' operations. The admiralty suits were settled, Cardinal paying the government and then suing the state fund and U. S. Casualty.

The court of claims has now upheld the contention of counsel for the state fund, that the W.C. act does not empower the state fund to pay claims for indemnity imposed as a matter of law.

### Consider Ohio Auto Bills

COLUMBUS—The Ohio house this week held hearings on a proposed model financial responsibility act; two bills for compulsory insurance and one requiring proof of financial responsibility before automobile can be mortgaged.

Don Wentworth, Travelers, discussed "Does the Company Make Money on Your Business" at the March 14 meeting of San Francisco A. & H. Underwriters Assn.

## "Consultant" Rash Held to Endanger Group Business

A. C. Campbell, vice-president in charge of the group division of Metropolitan Life, feels that the increasing number of individuals and firms that designate themselves insurance consultants constitute a serious problem for the group insurance business. In a speech before the district managers of his company at New York City, Mr. Campbell commented, "Some of these consultants are well informed and experienced men who are competent to make a reasonably fair appraisal in the best interests of the group policyholder. Unfortunately, that cannot be said of numerous consultants who apparently are influenced largely by commission motives."

He told his hearers that the efforts of these men are not now concentrated on new group contracts alone, but are spreading rapidly to existing group contracts. Mr. Campbell commented, "You know that when a company has continued its group insurance program for

any considerable period of years with an efficient insurance company, a switch to another carrier is rarely in the employer's interest. However, it is but natural that overworked executives who cannot be expected to thoroughly understand the insurance business should often welcome offers of outside assistance accompanied by promises that insurance costs will be reduced. In such cases we can almost always prove our case on merit, if we have the opportunity to do so."

According to the veteran group insurance executive, the consultant situation points to the necessity for the group companies and their representatives maintaining strong and frequent contacts with executives of policyholders' firms. This means earning the confidence of these men through good service and keeping them up to date on developments. When this is not done and the group companies are not close to their policyholders the threat of cancellation may well have to be met, he declared.

James H. Otis, agency superintendent of Hartford Accident at Minneapolis, spoke to the senior class of the business school of Vocational high school there on automobile insurance.

## Proposals in Cal. to Modernize W.C. Rating Procedure

The California insurance department will conduct hearings March 29 at Los Angeles and at San Francisco April 2 on several proposals for modifying the workmen's compensation rating setup in that state. The proposals were made in part by the commissioner and in part by the California Inspection Rating Bureau. Proposed effective date for the changes is July 1.

Perhaps the most significant change, to the w.c. business as a whole, is the proposal to eliminate the 1924 schedule rating plan and the experience rating plan, substituting a new prospective experience rating plan. The latter is the same experience rating plan that has been in effect in most other states since 1940, applicable to risks developing a premium of around \$500.

### Present Plan Since 1924

The plan presently in use in California is regarded as archaic by most underwriters. It was used over the country in the early 1920s. It has made California something of an "island" in the sea of modern rating. Some have charged it gave domestic California companies a competitive advantage. The main difference, however, that would be created by the change would be to modernize and simplify procedures. It would not much influence prices, it is believed.

Another proposal regarded as important by the business is to amend rule 5 of the classification procedure in respect to the paragraph dealing with group w.c. coverage. It is proposed to amend the rule so that group applies only to agricultural risks. Apparently what is sought is to close the door on groups such as dwelling contractors who are brought together in an association and their employees insured as a group for w.c.

### O.K. Bill to Waive Bonds on Armed Forces Contracts

WASHINGTON — The House judiciary committee has ordered favorably reported H. R. 2394 to authorize waiving of requirements of performance and payment bonds in connection with certain coast guard contracts.

The bill was amended in committee to cover air force contracts also. The army and navy have the power to waive.

Under court decisions and comptroller general rulings, following enactment of the Miller act requiring posting of performance and payment bonds by government public building construction and public works contractors, that principle was extended to include many government supplies contracts.

Military officials found this requirement impeded procurement. Accordingly, power to waive bonds on supply contracts was granted the army and navy in 1941. The air force was then part of the army. To clarify the situation, power to waive bonds requirement is now included in the bill for the air force, although the Defense Department unification may have granted it.

The coast guard's power to waive bond requirement, which was emergency in character, expired by law in 1947. Hence the new bill, which would restore that power.

As recommended by the committee, the bill was amended at request of the Defense Department so as to authorize waiving the requirement of bonds with respect to "cost-plus-fixed-fee and other cost-type contracts for construction, alteration or repair of any public building or public work of the United States and with respect to all contracts including cost-plus-fixed-fee and other cost-type contracts."

It was explained that under cost-plus-fixed-fee contracts the government does not pay prime contractors until

after subcontractors are paid off. Therefore, there is said to be no point in requiring bonds.

## Rules Traveling Salesman Is Covered by W.C. Though Killed After Working Hours

Wisconsin supreme court has reversed opinions of the state industrial commission and a lower court in holding that employers are responsible for injury or death to traveling employees when the employee is seeking entertainment, not considered a deviation from his employment, after the working day is over.

Lee L. Hansen, a salesman for Blackhawk Manufacturing Co. traveling the Arizona territory on March 11, 1947, called on a garage client at Nogales, Ariz., and invited a garage employee to have dinner with him at a nightclub in Nogales, Mexico, across the border. The next morning Hansen's body was found near the nightclub. He died of an injury, but it was not determined whether he had been assaulted or had fallen. His wife took action to recover \$7,700 on her husband's workmen's compensation policy, but was rejected by the commission examiner, the commission and the circuit court on the grounds that it was "speculative" whether Hansen was performing a service for the company when he visited the nightclub and when he was killed.

The supreme court was unanimous in the case, stating "every employee whose employment requires him to travel is to be deemed while so engaged to be performing service growing out of and incidental to his employment."

### Seclusion Not Necessary

"During the period of being at ease, upon leaving his last customer, he is not required to seek immediate seclusion in a hotel and remain away from human beings at the risk of being charged with deviating from his employment."

The court noted that there would be no payment if the employee could be shown to be deviating from his employment for a private or personal purpose, but "acts reasonably necessary for living shall not be regarded as such deviation." A salesman is not required, the court added, "to eat his evening meal at the restaurant nearest to the spot where he takes leave of his last customer. Dining and spending the evening according to custom ordinarily considered as usual and proper is not a deviation." Lacking evidence that Hansen was deviating from his employment, the court ordered full benefit payment.

## Black Markets Lead to More Cargo Thefts, Article Warns

Black markets are clearly on the rise and point to a sharp increase in truck cargo theft losses during the coming year, unless drastic steps are taken by shippers and carriers, Walter L. Flynn, president of Commercial Crime Commission of New York, warns in an article in "Babaco News."

As supply of merchandise dwindles, the remainder will increase in value, Mr. Flynn says. Both increased demand and greater value makes such merchandise attractive to thieves. He points out that black markets will flourish because of actual need for scarce merchandise and the desire of some individuals to make huge profits.

Among the means suggested by Mr. Flynn to avoid theft of goods in transit are: Personnel selection, goods identification, perpetual inventory, time check of goods in transit, use of burglar alarms.

### Sinz Returns to Army

Richard W. Sinz, San Antonio, manager for Retail Credit Co., is on indefinite leave, having been called to active duty as a major in the intelligence division of the army air force. Jack Hurster, Fort Worth, who has served with several offices of Retail Credit, will be in charge at San Antonio.



## Will Wrightem TALKS ABOUT ORGANIZATIONS

### Number your blessings—

**Companies are not alone in the habit of joining together in formal organizations. Agents do it, the buying public does it—even the commissioners do it.**

**Let us remember even with the best intentions an organization may give advantage to the vociferous.**

**Each of us has a voice to be heard.**

*Will Wrightem*  
FIELD CORRESPONDENT

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## Garage Liability Change On Family Use of Cars

Insurance men are just beginning to discover that a little publicized portion of the recent automobile liability changes settles what has been a sore point in garage liability insurance for years. The policy now specifically covers automobiles which are owned by the garage but which are used primarily or even exclusively by members of the proprietor's or partner's family for personal and pleasure purposes.

Particularly with automobile dealers, but to some extent with repair shops and other automotive businesses, one or more cars will often be used almost entirely for pleasure purposes. Many a dealer, for example, will turn a new car over to his wife and she will use it as the family car for some time—anywhere from a few months to a year—the automobile eventually being sold as a used car and replaced by another. Often dealers' license plates are used on these cars.

### Old Insuring Clause

Under previous editions of the garage liability policy, there was technically no coverage for pleasure use of such an automobile, which should have been insured specifically at the applicable rate. The division 1 insuring clause adopted late in 1949 covered use of any automobile in connection with garage operations "and the occasional use for other business purposes and the use for non-business purposes of any automobile owned by or in charge of the named insured and used principally in the above defined (dealer, repair shop, etc.) operations." An automobile used primarily by members of the dealer's family for personal purposes was not "principally" used in garage operations and hence coverage applied only to such business use as might be made of it. Older editions of the garage liability policy accomplished the same thing by an exclusion.

The latest change, which will be made by a mandatory endorsement, adds to the division 1 insuring clause a statement that it also covers "any automobile owned by the named insured in connection with the above defined operations for the use of the named insured, a partner therein, an executive officer thereof or a member of the household of any such person." This will clearly cover pleasure use and even occasional use in other businesses of an automobile under these circumstances, even though it may be only occasionally and perhaps never used in the garage business.

### Concession to Reality

Most observers regard the change as a realistic recognition of facts, as opposed to theory. There was a sound actuarial argument against providing this coverage, since the garage liability premium, based on the insured's payroll, obviously did not reflect any use of automobiles outside the garage business. It was argued that providing coverage under these situations amounted to free automobile liability insurance, since the exposure in most cases was the same as though the proprietor's wife had owned an automobile in her own name.

However, enforcing the original intent of coverage was obviously impractical. When the chips were down, almost any insured could show some use of such an automobile in business and sophisticated claim men recognized that it was almost impossible for them to prove that the automobile had not been used in business 51% of the time, instead of 49%. In cases where the automobile assigned to the dealer's family was replaced frequently, say every two or three months, it could be shown that each specific automobile was used principally in the business, and yet the exposure was the same as though one automobile were driven by the family for a year or more.

There was also a competitive problem.

Some companies took a flat position that they would always interpret the policy as covering pleasure use of the automobile by members of the family, regardless of how much or how little it was actually used in business. In other cases, field men and agents, with or without authorization, made statements to this effect, sometimes to get a

line. Apparently no cases involving this point of coverage got into court, but attorneys and claim men were almost unanimously pessimistic about the outcome if one should arise. They felt a judge might easily find some ambiguity in either edition of the policy to give the insured the benefit of the doubt and consequently coverage.

The new endorsement consequently recognizes these facts and should end the argument. Since the 1949 revision, the policy has covered anyone using a garage automobile with the insured's permission, so the personal liability of wives and other family members is

clearly covered.

The only point of caution now is that the automobile must be owned by the insured "in connection" with dealer or repair shop operations. If the firm is a corporation or partnership, it obviously must be titled in the name of the firm and not of the individual partner or officer. If the insured is an individual, it probably will be necessary for him to show that the purchase of the automobile has been entered on the books of the garage. The use of dealers license plates, if permitted in the state, would undoubtedly be conclusive evidence in such a situation.

## THE WESTERN CASUALTY AND SURETY COMPANY THE WESTERN FIRE INSURANCE COMPANY

### STATEMENT of CONDITION as of DECEMBER 31, 1950

#### Admitted Assets

	The Western Casualty and Surety Co.	The Western Fire Insurance Co.
Cash	\$ 1,695,985.64	\$ 813,878.18
U. S. Government, State and Municipal Bonds	10,660,257.83	5,404,238.44
<b>Total Cash and Bonds</b>	<b>\$12,356,243.47</b>	<b>\$6,218,116.62</b>
Corporation Stocks	380,990.00	812,596.00
Stock of The Western Fire Ins. Co.	3,001,250.51	
Real Estate (Home Office)		515,063.62
Premiums in Course of Collection	1,672,513.01	723,928.90
Accrued Interest on Bonds	86,215.72	44,287.75
Other Admitted Assets	25,285.45	91,393.79
<b>Total Admitted Assets</b>	<b>\$17,522,498.16</b>	<b>\$8,405,386.68</b>

#### Reserves & Surplus

Reserve for Unearned Premiums	\$ 5,671,754.53	\$4,193,864.07
Reserve for Claims	6,433,159.92	646,625.09
Reserve for Commissions, Taxes and Expenses	747,252.06	548,565.35
<b>Total Reserves</b>	<b>\$12,852,166.51</b>	<b>\$5,389,054.51</b>
Capital	\$ 1,200,000.00	\$1,000,000.00
Surplus	3,470,331.65	2,016,332.17
<b>Surplus as Regards Policyholders</b>	<b>\$ 4,670,331.65</b>	<b>\$3,016,332.17</b>
<b>TOTAL</b>	<b>\$17,522,498.16</b>	<b>\$8,405,386.68</b>

#### Gains During 1950

Net Premiums Written	\$1,140,832.00	\$ 832,147.00
Admitted Assets	2,656,248.00	1,497,186.00
Policyholders Surplus	1,142,130.00	538,951.00

<b>1950 Gross Premiums Written (Combined)</b>	
Before Reinsurance	\$20,634,818.00
<b>1950 Net Premiums Written (Combined)</b>	
After Reinsurance	\$18,581,930.00

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## Lessee Liable for Interstate Operation of Leased Truck

The legal status of the operation of leased equipment by an interstate trucker, from the liability standpoint, was outlined by Frank J. Pause, Chicago attorney who represents insurance companies operating in that field, at the underwriting conference at Chicago of Conference of Mutual Casualty Companies. It is a very common practice for these truckers, to augment their facilities, to lease equipment from other truck owners for a single trip or limited period, these leased trucks being operated by the owner or one of his employees. All of these operations have to be insured, under interstate commerce commission regulations, and the question is as to where the liability would lie if one of these leased trucks is involved in an accident.

The crux of the matter is found, according to Mr. Pause, in an I.C.C. ruling that the lease in these cases must be in such form that the operator of the truck is regarded as the agent of the lessee. Even though he is actually an employee and on the payroll of the owner-lessee of the truck, to carry out this I.C.C. requirement the federal courts have built up an artificial master and servant relationship between the truck lessee and the operator or driver of the truck, so that the lessee is responsible for any accident resulting from the driver's negligence and the lessee's insurer is of course called on to defend the case.

### I.C.C. Certificate Controls

The lessee has to affix its I.C.C. certificate to the leased truck and the presence of that certificate puts the responsibility on it, regardless of who is operating the truck. A number of cases holding definitely along that line were cited.

On the question of whether the lessee is entitled to reimbursement from the lessor or driver in case of judgment against him, the decisions are somewhat at variance. There is one case in which recovery was obtained against the driver but, under it, it would be necessary to prove conclusively that the driver was responsible. In general, Mr. Pause said, it appears that the extent of the liability of the lessor and operator may depend primarily on the terms of the lease. An insurer covering the lessor may expect to be drawn into the case, as he is quite likely to be made a party to the suit.

The status of the leased truck returning empty after delivering its load is also uncertain. In one case it was held that the job was done and the lessee was no longer responsible.

The question was raised as to the situation where both truckers have I.C.C. certificates, but it was stated that that makes no difference. It is the one that is on the truck that controls.

Mr. Pause said that it is not possible to draw such clear lines in regard to leased equipment in intrastate operations, as the laws of the particular state would control there.

### Honors Nebraska Engineer

Assn. of Casualty & Surety Companies has awarded its 1950 prize for traffic engineering to J. Edward Johnston of Lincoln, Neb., state traffic engineer, for his plan which reduced accidents 91% on a dangerous rural highway intersection.

Mr. Johnston's plan along with several others were printed last year in the bulletin of the accident prevention department of the association, "Getting Results Through Traffic Engineering."

The competition is open to all engineers, police and traffic officials. Entries can be sent at any time during the year to the accident prevention department of the association at New York.

## Compulsory Auto Laws Don't Lead to Best Cover: Dorsett

The security type of safety financial responsibility law offers greater protection to the public against irresponsible motorists than does compulsory automobile insurance legislation, J. Dewey Dorsett, general manager Assn. of Casualty & Surety Companies, declared in a talk at Newark before Casualty Underwriters Assn. of N. J.

Compulsory insurance is a price too great to pay, because it unquestionably is a potential entering wedge to bring about total state insurance, Mr. Dorsett added. Unrealistic "wishful thinkers" are urging a compulsory law in the guise of social legislation. He stated that these proponents ignore the fact that in practice a compulsory law has produced many evils which far outweigh the single misfortune it was designed to remedy.

Massachusetts provides, after a quarter century of trial and error, a good example of how a compulsory law fails to provide complete protection, Mr. Dorsett said. He pointed out that the law does not extend to property damage losses, to accidents caused by out-of-state drivers, to accidents occurring on private property or to guest occupants of cars involved. As compared with the protection offered by those who insure voluntarily, the Massachusetts law does not even require as much as 50% coverage, Mr. Dorsett added.

### 90% of Motorists Insured

These loopholes are closed in the 23 states which have enacted the security type safety responsibility law, the speaker continued, and this legislation has the additional advantage of causing more than 90% of the motorists to insure. Those who are uninsured are not allowed any so-called "first bite," since the great majority of uninsured motorists involved in accidents quickly settle their damage claims. Those who do not are promptly put off the road.

Mr. Dorsett charged that compulsory insurance has neither encouraged nor required safe driving. More than 43,000 persons were injured by automobile accidents in Massachusetts during 1949, and this was double the percentage of bodily injury automobile accidents in New Jersey. This high injury rate, Mr. Dorsett said, is attributable to the fact that the Massachusetts law does not encourage the removal of accident repeaters. The experience of the Massachusetts assigned risk plan, which has a loss ratio of 141.2%, seems to prove this, he said, when it is compared with New Jersey's assigned risk loss ratio of 54.4% and a countrywide average of 65.9%.

"Compulsory insurance is not only incomplete, but it is expensive," Mr. Dorsett said. At the end of 1948, Massachusetts drivers were paying 33.5% more for their automobile B.I. coverage than they did in 1927, the first year of compulsory insurance. In reasonably comparable states, such as New Jersey, Connecticut, New York, Pennsylvania, Ohio and Missouri, the bodily injury rate level at the end of 1948 was below the 1927 level.

### Honors 50-Year Agency

The Kelly agency of Leavenworth, Kan., was honored by Aetna Casualty on its 50th anniversary as Aetna agents. Principals of the agency are J. V. Kelly, the father, who has represented Aetna for 50 years, and his son, E. D. Kelly, who has been with the agency for 25 years.

Leading the Aetna delegation from the Kansas City office was Gordon Kellner, manager, who two days later marked his 35th year with the company.

The Kelly agency was started in 1886, and J. V. Kelly joined the firm in 1895 with his father.

### Ferrier Manu

Benjamin has been Philadelphia Manufacturer Harry Ferrier has underwritten Mr. Ferrier's insurance until 1949 office. St. Paulers as subsequent demerit ing spec manager. Indemnity manager Home Insurance with New

### Johns

F. G. Johns manager has joined Angeles started a 1937, tract ma service d Bend, Indiana, going charge.

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## CHANGES IN CASUALTY FIELD

### Ferrier Made Manager of Manufacturers Phila. Dept.

Benjamin F. Ferrier, vice-president, has been placed in charge of the Philadelphia metropolitan department of Manufacturers Casualty, succeeding Harry L. Harding, resigned. Mr. Ferrier has been head of the home office underwriting department.

Mr. Ferrier returns to the department he opened in 1943 and managed until 1947 when he went to the home office. Starting in insurance with Travelers as a field assistant, Mr. Ferrier subsequently went with Globe Indemnity as an underwriter, later becoming special agent and assistant branch manager. He served as assistant to the manager in the liability department of Indemnity of North America, and as manager of the casualty department of Home Indemnity, then, in 1932, went with New Amsterdam Casualty.

### Johns to Brokerage Firm

F. G. Johns, for five years Los Angeles manager of American Mutual Liability, has joined Pacific Underwriters, Los Angeles brokerage firm. Mr. Johns started as an agent at Indianapolis in 1937, transferring to Chicago as a district manager in 1939. Before naval service during the war, he was South Bend, Ind., manager for American Mutual, going to Los Angeles after discharge.

### Hugh Millard Resigns

Hugh T. Millard of 116 Battin road, Fair Haven, N. J., has resigned his position with Accident & Casualty, whose U. S. business is in process of being amalgamated with American Casualty of Reading, Pa. Mr. Millard started with A. & C. in 1937 and was manager of the midwestern department at Chicago until recently when he was called to the New York head office in an executive capacity. After graduating from law school and being admitted to the Michigan bar, he started with Aetna Casualty. He has had extensive fidelity-surety experience, but is also familiar with all types of insurance. He has not decided what his next move will be.

### Carmody Makes Change

Harold F. Carmody has been appointed special agent for Guarantee of Los Angeles for the San Joaquin Valley with headquarters at Fresno. Recently he was with Providence Washington at Los Angeles as auto and casualty underwriter and special agent, and prior to that was with Fidelity & Casualty at Los Angeles.

### Green Wis. Safety Engineer

Robert E. Green has been appointed safety engineer for Wisconsin by Mutual Service companies of St. Paul. He will have headquarters in the Twin Cities.

Mr. Green served with the Minnesota highway department for 17 years and before that was with E. I. Dupont Co. as assistant senior safety engineer.

### Ehrman, Seaton Transferred

Travelers Indemnity has appointed Frank J. Ehrman, field supervisor at Peoria, assistant manager at Houston with headquarters at Corpus Christi, and Roland M. Seaton, Jr., field supervisor at San Francisco, to the same position at Oakland.

The company has granted military leaves of absence to Earl G. Loux, manager at St. Paul, and William M. LaMayeau, field supervisor at Minneapolis.

American Automobile has established new general offices for Canada at Toronto. Resident vice-president for Canada is H. L. Kearns.

### Holmes Employers Group Western Claims Manager

Charles R. Holmes has been appointed claims manager of the Employers group western department at Chicago. A. J. Valukas has been appointed assistant claims manager.

Mr. Holmes, who has done claim work for 25 years, started with Employers in

Nebraska in 1926 as a claim investigator. He has served in various capacities with the group's claim offices throughout the country, including the home office. His most recent position has been superintendent of the northwestern claim department in Minnesota.

Mr. Valukas, who is an attorney, has also had many years of claim experience with the group.

### Sullivan Vice-president

Clinton A. Sullivan, assistant vice-president and manager of the auditing

department of Liberty Mutual, has been elected a vice-president. Mr. Sullivan joined Liberty Mutual in 1924 as payroll auditor and has served at New York and Milwaukee. He became assistant vice-president and auditing department manager in 1948.

### Macy Named L. A. Manager

New Amsterdam Casualty has appointed W. S. Macy manager at Los Angeles. He has been agency supervisor there.

Entering the business in 1925, Mr.

## U. S. F. & G.



### 55th Annual Financial Statement

	December 31, 1950	December 31, 1949
<b>ASSETS</b>		
Cash.....	\$ 19,410,576.30	\$ 18,773,699.79
United States Government Bonds*.....	91,630,812.00	74,270,668.00
Other Bonds*.....	8,599,739.00	10,424,008.50
Preferred and Common Stocks*.....	50,745,802.57	38,070,033.75
Premiums in Course of Collection, not over 90 days due	13,431,986.55	13,336,054.26
Company-owned Office Buildings—less Depreciation		
Reserve.....	5,348,428.69	5,356,721.91
Accrued Interest.....	292,253.91	331,377.06
Other Admitted Assets.....	1,661,657.30	1,205,926.56
	<u>\$191,121,256.32</u>	<u>\$161,768,489.83</u>
<b>LIABILITIES</b>		
Reserves:		
Claims and Adjustment Expenses.....	\$ 62,820,504.59	\$ 55,666,406.11
Premium Taxes and Operating Expenses.....	3,233,917.97	3,175,266.73
Federal Income Taxes.....	4,400,000.00	4,800,000.00
Unearned Premiums.....	50,504,212.28	49,505,091.30
Other Liabilities.....	1,527,192.75	856,085.03
Dividend Payable.....	700,000.00	500,000.00
Voluntary Reserve.....	\$13,459,171.39	\$ 8,745,819.25
Capital.....	14,000,000.00	10,000,000.00
Surplus.....	40,476,257.34	28,519,821.41
Policyholders' Surplus.....	67,935,428.73	47,265,640.66
	<u>\$191,121,256.32</u>	<u>\$161,768,489.83</u>

\* Values in 1950 Statement, except those of subsidiary insurance companies, as prescribed by the National Association of Insurance Commissioners: Bonds at amortized values; stocks other than those of subsidiary insurance companies at values prescribed. Stocks of subsidiary insurance companies are carried at less than the book value permitted. If stocks of subsidiary insurance companies were carried at book value and all other securities at market, the values would be increased \$494,872.

NOTE 1. Cash and Securities in the amount of \$5,043,500.00 (par value) in the 1950 Statement are deposited as required by law.

NOTE 2. All State Insurance Departments now require that the asset "Premiums in Course of Collection not over 90 days due" be shown net. Formerly this was shown gross with an item under Liabilities representing commissions due agents and brokers on such premiums. Figures for 1949 and 1950 above reflect this change and several minor changes in the new accounting system prescribed by the National Association of Insurance Commissioners.

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experience in writing it and can give you complete information and tell you how to go about getting it.

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## UNITED STATES CASUALTY COMPANY



HOME OFFICE:

60 John Street

New York

Macy served with various companies and general agents before joining New Amsterdam at St. Louis in 1943 as a special agent.

### Named to Western Cas.

W. L. Gench, assistant secretary, and M. L. Hurst, treasurer, Western Casualty, have been elected to the board. W. K. Mead and E. H. Morris, vice-presidents of Western Casualty, have been elected directors of the parent company, Western Fire.

Frank M. Quinn, former state registrar of motor vehicles, has been appointed agency supervisor for Automobile Club Ins. Co. at Columbus, O.

## ACCIDENT

### Grandin Heads A. & H. Unit at Sun Indemnity

Edward S. Grandin has been appointed superintendent of the accident and health department of Sun Indemnity. Mr. Grandin entered A. & H. in 1938 with U. S. Casualty, served in the navy, was with Royal Indemnity for a time, then Continental Casualty and since 1941 with U.S.F.&G. as manager of the group A. & H. department.

### Mahler Regional Manager

Combined American of Dallas has appointed G. A. Mahler regional manager at Ft. Worth. He entered insurance in 1930 with National Life & Accident at Wichita Falls, Tex. In 1933 he went with American National at San Angelo and in 1938 was sent to Fresno, Cal., as district manager for that company. He has been its district manager at Fort Worth since 1947.

### Hold Wisconsin Regional

Agents of North American Life & Casualty from Madison, Green Bay and Milwaukee attended a one-day regional meeting at Milwaukee. E. O. Hammer, Milwaukee manager, was in charge. H. P. Skoglund, president, reported an 18% increase in life and A. & H. premiums written in Wisconsin in 1950.

### Eliminate 25 Group Minimum

The New York legislature has passed and sent to the governor a bill striking out the minimum of 25 lives for group A. & H. coverage. The proposal will allow companies to write by-product casualty lines on small groups. The sale of these by-products was encouraged by enactment of the disability benefits law. Statutory coverage can be written on groups of four or more.

### Rudell Made General Agent

John R. Rudell has been appointed general agent for Massachusetts by Massachusetts Casualty. Mr. Rudell, who will have his headquarters at Boston, entered insurance in 1945 with Continental Casualty as an agency supervisor at Boston. Later that year he became general agent there for Loyal Protective.

### Liberty L. & A. to Build

Plans are being made for erection of a new home office building on Terrace street at Myrtle avenue in Lansing, Mich., by Liberty Life & Accident. A two-story, modern structure is contemplated, costing upwards of \$100,000. Actual construction hinges on approval by federal authorities.

A panel on answering objections to the purchase of A. & H. and hospitalization insurance was the feature of the March meeting of Kansas Assn. of A. & H. Underwriters at Wichita.

## COMPENSATION

### Compensation Wouldn't Cover A-Bomb Raids, Ohio Attorney General Rules

Attorney General O'Neill has advised the Ohio industrial commission that Ohio workmen, in the event of an A-bomb attack, would not be covered by workmen's compensation. He said that, according to court decisions, the question of liability would have to be determined in each case by the facts and circumstances, and that if the facts indicated that the workman was not subjected to a greater risk than the general public, he would not be protected by the state fund.

He suggested that since the entire nation is directly responsible for the protection of life and property in war, "it would seem logical that some means, nation-wide in scope, be devised to furnish protection for both workers and employers." Should the state fund and self-insurers be held liable, they would be wiped out financially, he said.

### Conn. "Comp" Bills Opposed

HARTFORD—Nineteen bills for liberalizing the workmen's compensation law met with strong employer opposition at a hearing before the joint legislative labor committee.

The bills would, among other things, increase the maximum weekly benefits from \$32 to \$36; raise the limit of compensation to two-thirds of the workman's pay instead of one-half; and extend benefits for permanent disability from 12 years to life.

F. H. Waterhouse, counsel for Manufacturers Assn. of Connecticut, said the bills would completely rewrite the present law, leaving nothing but the

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✓ "Shelby" agents have supplied this needed protection for many of their clients. The policy is still a specialized contract but the "Shelby" rating plan makes it easy for you to figure and quote on any ordinary risk.

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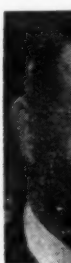
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title. The present law, he said, is considered to be one of the best of any state.

John P. Faude, counsel for Aetna Casualty, spoke in opposition to a provision that would enable the state to create a second injury fund.

Representatives of C.I.O. and Connecticut Federation of Labor supported the bills.

### W. C. Rates in Mich. Are Cut Average of 4.5%

LANSING, MICH.—A reduction averaging 4.5% in workmen's compensation rates proposed by Michigan Compensation Rating Bureau virtually wiping out an average increase of 4.7% ordered last year, has been approved by Commissioner Forbes.

The new rates, effective April 1, are based on experience for 1947 and 1948. Mr. Forbes estimated premium savings to employers at approximately \$1,350,000. Reductions are made under the new schedule in 562 work classifications. There are increases in 65 classifications with 30 remaining unchanged.

Governor Williams attributed the reduction largely to accident prevention programs in plants and "better safety standards." The rate increase a year ago was made after legislative changes in the compensation laws actually had broadened worker benefits by some 17%.

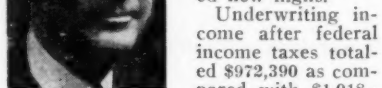
### Hike Colo. "Comp" Payments

A bill which will increase Colorado maximum weekly compensation payments from \$22.75 to \$28 has been signed by the governor.

## COMPANIES

### Many New Highs for U. S. Guarantee

Net premiums of U. S. Guarantee reached a new high of \$14,340,000 in 1950, it has been reported by Nathan Mobley, president. Assets, surplus to policyholders, premiums earned, and total net income after taxes all established new highs.



Nathan Mobley

Underwriting income after federal income taxes totaled \$972,390 as compared with \$1,018,877 in 1949. Total earnings, including net investment income amounted to \$1,780,158 after taxes, an increase of \$80,000.

Surplus to policyholders increased more than \$4 million to \$20,753,000, reflecting the results of operations and an increase in security values. Assets amounted to \$39,926,097.

### Seek Broader Cal. Licenses

LOS ANGELES—Zenith of Los Angeles has filed application for an amended certificate of authority to write liability and common carrier liability insurance. It now is licensed for workmen's compensation.

Harbor Ins. Co. of San Diego has applied for authority to write fire, disability and miscellaneous insurance. It now writes liability, common carrier liability, workmen's compensation and automobile.

Noland C. Wright, Anderson, Ind., local agent, is a candidate for mayor there.

Providence Washington Indemnity has been licensed in California. Edward Dahl, assistant manager at San Francisco, will be in charge of Pacific Coast operations.

## SURETY

### Chicago Surety Men Hear of Probate Court Work

John Tauchen, clerk of the Chicago probate court, was speaker at the March meeting of Surety Underwriters Assn. of Chicago. He told the group that the Chicago probate court is the largest court of its kind in the world, handling all the estates in Cook county.

More than 12,000 estates are handled in the probate court each year. The probate judge is William F. Waugh, who was a speaker at a surety association meeting about a year ago. Mr. Tauchen commented that the personnel of the court is made up politically. There are 63 employees, and nearly all of them are sponsored by ward committeemen. Frequently it is hard to discharge an incompetent person because of the arguments that ensue with the politicians.

Mr. Tauchen also described some of the improvements that have come about in the court in recent years. Five years ago when he took over, he said there were files for four years lying loose, and the office had an average of 10 missing files a day. Now everything is being filed correctly and letters are be-

ing sent the same day, and the court is entering on a program of pressing lawyers to close estates within a year.

Contested cases have been reduced to a minimum, and jury cases are practically non-existent. A good part of the reason for the lack of jury cases, Mr. Tauchen said, is that the calendar is up to date and if an attorney who hopes to delay a case by calling for jury trial does so, Judge Waugh can offer him a jury on the same day.

Mr. Tauchen was introduced by Robert Goldkamp, Massachusetts Bonding, the program chairman. The meeting drew the largest crowd is some time, as many of the probate court brokers were anxious to hear Mr. Tauchen.

John J. Woodmansee, Century Indemnity, the president, was in charge. This was the first lunch of the association under its new price scale. At the last meeting the members had up for discussion a motion to lower the price of 50 cents so as to attract bigger crowds, and the vote was unanimously in favor of a 50 cent increase.

McClung Smith, Travelers, reported that the association golf meeting will be at Chevy Chase Country Club June 8.

### Alaska Contract Awarded

Morrison-Knudsen Co. and Peter Kiewit Sons Co., Anchorage, Alaska,

have been awarded the contract at \$5,053,970 for a complete military installation on St. Lawrence Island, Alaska. Fidelity & Deposit for Morrison-Knudsen and Aetna Casualty will execute the bonds.

Guy F. Atkinson Co., Los Angeles, submitted the low bid of \$3,389,650 to the California state highway department for a new bridge at Pasadena. Fidelity & Deposit is on the bid bond.

### Luncheon for Trust Division

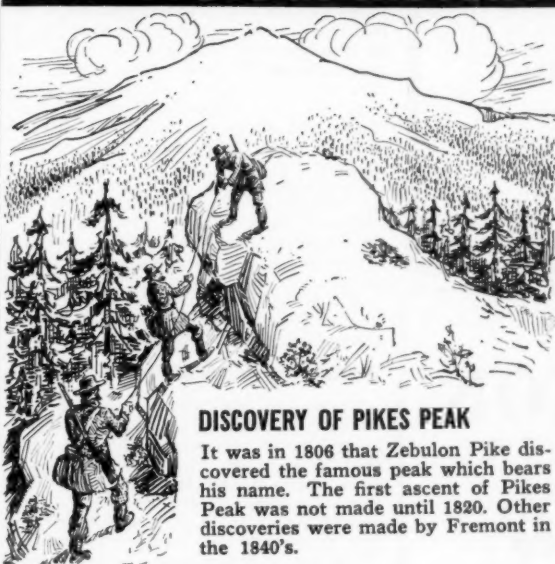
Members of the trust division of American Surety were given a luncheon at the home office executives dining room recently honoring the department for 100% participation in the company's suggestion program. W. E. McKell, first vice-president, presided.

### Auto-Owners to Move Soon

Auto-Owners, now a multiple-line insurer, will move soon into its new home office at Townsend street and Kalamazoo street at Lansing, Mich. The company recently occupied office space in five separate locations at Lansing. All of these offices will now be brought together in the large, new building which is of ultra-modern design. The company now employs 267 persons at Lansing and 165 others in 12 branches.

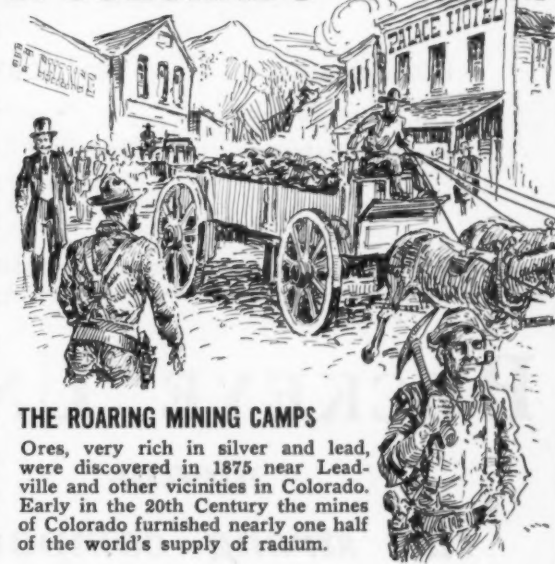
## HIGH SPOTS IN HISTORY

## 6: COLORADO



### DISCOVERY OF PIKES PEAK

It was in 1806 that Zebulon Pike discovered the famous peak which bears his name. The first ascent of Pikes Peak was not made until 1820. Other discoveries were made by Fremont in the 1840's.



### THE ROARING MINING CAMPS

Ores, very rich in silver and lead, were discovered in 1875 near Leadville and other vicinities in Colorado. Early in the 20th Century the mines of Colorado furnished nearly one half of the world's supply of radium.



### DISCOVERY OF GOLD

Famous cry of gold seekers in 1850 was "Pikes Peak or bust" because it was that year gold was discovered in Colorado. The most famous strike of gold was made at Cripple Creek in 1891 by a cowboy.

## ALSO A HIGH SPOT . . .

. . . is when an agent joins Hawkeye-Security & Industrial. These companies are proud of the prompt and equitable settlement of claims . . . the fact there is no red tape in dealing with agents . . . that every sales aid is given the agent . . . and a sincere group of field representatives are always at the agent's service. No wonder the trend is to Hawkeye-Security & Industrial.



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Des Moines, Iowa

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*two strong companies*

...strong in their belief in the American Agency System

...strong in prompt settlement of claims

...strong in field service to agents

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Capital Stock Insurance Companies operating in Ohio,  
Indiana, Pennsylvania, Michigan and Kentucky

HOME OFFICES: 515 EAST BROAD STREET, COLUMBUS, OHIO

## Mutual Men Discuss Auto Underwriting

(CONTINUED FROM PAGE 27)

ers and giving protection to the greatest possible number. He said all lines of insurance are menaced and that A. & H. is merely the first step.

The opening session was devoted almost entirely to general liability business, with O. C. Griffith, Farm Bureau Mutual Auto, as chairman. Charles W. Margraff, Motorists Mutual, spoke on general liability underwriting in the 1950s, stressing the need for recognizing the many changes that have taken place and the hazards involved, and then gearing policy forms and underwriting practices to fit the current situation. Probably the most important change is from a highly specialized to a comprehensive or general approach, not only within subdivisions but in the major lines of insurance, with strong signs that full multiple line underwriting is on its way. In that connection he urged a constant "retooling" and revision of forms and practices to meet the new conditions.

J. G. English, Auto-Owners, took up selling the general liability underwriting viewpoint to both the agent and insured. Among the points he mentioned were deductible liability, which he said offers an opportunity to write some cases that could not otherwise be written; denying P.D. to certain types of risks, excess limits, where the problem has been intensified by an attitude of retrenchment on the part of reinsurers; removal of the exclusion for care, custody and control, which he regards as rather dangerous; use of "occurrence" rather than "accident," which he said might be all right in some cases, and waiver of subrogation.

In the discussion of deductible liability, Chairman Griffith mentioned the statement on that subject recently made by Hartford Accident, which stressed the necessity of thorough information of insured regarding the coverage, the fact that it was applicable primarily to frequently recurring hazards, and the danger of encouraging self-insurance.

### Writing Governmental Units

There was considerable discussion of waiver of immunity in insuring governmental subdivisions, including the fact that they might be performing other than governmental functions, the question of whether under the laws of their respective states they have authority to buy such coverage, and its desirability from the defense angle, even though there might be no liability in a particular case.

There was also a panel discussion of practical problems, the members being H. W. Hayes, Farmers Mutual Auto; L. E. Stephens, State Mutual Auto of Ohio; D. O. Wentz, Shelby Mutual Casualty, and Leonard Milstead, Equity Mutual, Kansas City. Much of that discussion dealt with the farmer's comprehensive liability policy, especially as regards the question of payroll audits. It was brought out that the farmer in most cases doesn't keep detailed records and suggestions were made in regard to supplying him with a method of keeping such records or possible substitutes for an audit such as a direct monthly charge per man. Several cases presenting some unusual angles were presented, with the question as to what forms or combinations of forms would be best to use.

### Hold "Get Acquainted" Luncheon

The question of simplification of the general liability policy was brought up at the "get acquainted" luncheon Friday. The question was asked as to whether any companies were writing liability on a flat rate or gross receipts basis. Apparently there was only one, but the sentiment was all for having the underwriting committee of National Assn. of Mutual Insurance Companies, which has been exploring the subject, go ahead with its efforts toward simpli-

fication. The luncheon was a new feature but it was voted by a big margin to continue it hereafter.

E. L. Sherard, Equity Mutual, president of the conference, was in general charge of the meeting, with Paul E. Buehler, Beacon Mutual, the secretary, handling arrangements and details.

### No Elasticity to Va.

### W. C. Cancellation Rule

RICHMOND, VA.—Virginia corporation commission has ordered Pacific Employers to pay one-half of a claim filed by Thomas Misenheimer, Norfolk, Va., under a workmen's compensation policy written by the company through a local agent, but cancelled before a claim was made.

A few weeks after the company had issued the policy, it asked for cancellation and the agent re-wrote the coverage with American Casualty. Misenheimer returned the original policy to the agent and received the new policy, but neither the agent nor Pacific Employers remembered to notify the state industrial commission of cancellation, as required by Virginia law.

In September, an employee of Misenheimer's received an injury during the course of his work and was awarded \$18 a week for 26 weeks by the industrial commission. Because there had been no notice of the cancelled policy, Pacific Employers and American Casualty were ordered to share the claim.

Robert R. Neal, vice-president and counsel of North American Accident, will discuss "Wage Stabilization and the A. & H. Business" at the March 20 meeting of Chicago A. & H. Assn.

**casualty, fire  
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## H. & A. Conference Regionals Held at Kansas City, Dallas

H. & A. Underwriters Conference recently conducted regional meetings at Kansas City and Dallas.

The Kansas City meeting attracted 40 company people from Kansas, Missouri, Indiana, Nebraska and Colorado. F. E. Houston, Guarantee Mutual Life of Omaha, was in charge of the morning program, which was led off with a discussion by D. B. Alport, Business Men's Assurance, a member of the executive committee, on the conference program of activities.

J. H. Torrance, B.M.A., talked on catastrophe coverage, outlining the several company policies now available. A report on insurance department action was given by C. O. Pauley, conference managing director, who also covered the senate health insurance study, the work of Health Insurance Council, hospital insurance, and social security as regards agents.

In the afternoon, Stanford Miller, Employers Reinsurance, was chairman. Roy A. MacDonald of the conference reviewed state legislation and then led a discussion of student accident coverage, industry premium income, and home office employee education. There was a good deal of interest in the student accident line, and W. J. McGettigan, Security Life & Accident, also took up this topic. The companies are interested in writing not only the sports group coverage, but the so-called "all-student group" as well as travel accident for students to and from school.

### Big Attendance at Dallas

There were 80 on hand at Dallas from Texas, Arkansas, Arizona, Oklahoma, Colorado and Louisiana. The program was substantially the same, with Porter Bywaters, Employers Casualty, in charge of the morning program. The report on conference activities was given by Travis Wallace, Great American Reserve, and the principal talk was given by George B. Butler, Texas life insurance commissioner.

A. P. Dowlen, Republic National Life, was afternoon chairman. Mr. MacDonald spoke, and the student accident question was covered by R. L. Davis, American General Life of Houston. A hospital insurance discussion was led by William Murphy, American Hospital & Life, and Charles Scott, Great American Reserve, talked on catastrophe insurance.

## Wants Disability Benefits Inserted in SS Law

WASHINGTON—Amendment of social security act so as to provide disability benefits for totally disabled individuals has been proposed in a bill introduced by Rep. Perkins.

## Aviation War Risk Bill Given Committee Hearing

WASHINGTON — Air transport representatives and government officials were scheduled to appear Wednesday at a hearing before the house commerce committee in support of the Beckworth bill authorizing government issuance of aviation war risk. Rep. Beckworth said he introduced the bill, similar to Senate bill 435, recommended by the Senate commerce committee, at request of government agencies interested.

The Senate bill was reached on call of the Senate calendar Monday, but passed over on objection of Senator Nixon, California, who said it should be studied.

Senator Johnson, Colorado, presented and had printed in the Congressional Record an analysis of the bill by Air Transport Assn. counsel. The latter opposed amendment of the bill so as to prohibit employment by the Secretary of Commerce of foreign insurance companies as agents for issuing war risk.

Counsel say such foreign companies would not acquire any more "secret" information than they now get, including English companies members of a

"leading aviation insurance underwriting" group.

The proposed prohibition would inconvenience the secretary and the airlines in administering war risk, counsel say. For example, Associated Aviation Underwriters could not act as agent for the secretary because some of its members are foreign companies.

Under such circumstances, airlines would have to buy war risk from other companies unfamiliar with airlines' affairs, it is contended; the secretary would have to get agents less experienced than Associated, and airlines would have to "use new insurance vendors."

## Boadway Detroit President

Detroit A. & H. Underwriters Assn. has elected Harold A. Boadway, Paul Revere Life, president Bruce Brown is 1st vice-president, Robert Gray 2nd vice-president and Robert Clark, secretary.

Harry E. McClain, manager of Indiana Assn. of Insurance Agents, is recuperating at his home at Shelbyville from the effects of an operation.

Washington automobile assigned risk plan has discontinued its 15% surcharge on "clean" risks, that is, those having no accident or traffic violations.

## Skutt Predicts New A. & H. Premium Records for 1951

The volume of health, accident and hospitalization insurance to be written in 1951 will be the biggest in history, President V. J. Skutt of Mutual Benefit H. & A. declared in his talk at the sales conference of Buffalo A. & H. Assn. last week.

Mr. Skutt said accident, health and hospital insurance has grown at a faster rate in the last five years than any other phase of the insurance business. He estimated the premium income of companies in the A. & H. field for 1950 at \$1,250,000, about 10% higher than in 1949. The A. & H. companies paid more money out in claims in 1950 than their total premium income was five years ago, Mr. Skutt said.

John B. Lambert of Cleveland, president of International Assn. of A. & H. Underwriters, said that about 75,000,000 persons are now covered by voluntary A. & H. insurance programs of private companies.

About 200 attended the sales conference.

## J. E. O'Connor Vice-President

J. E. O'Connor has been elected a vice-president of the central department

of James S. Kemper & Co., Chicago. He joined the Kemper group in 1944 in the bond underwriting department of Lumbermens Mutual Casualty. In 1945 he was transferred to the James S. Kemper & Co. agency as an underwriter and three years later was made manager of its bond division.

## Beat Assigned Risk Change

Soundly defeated in the lower house of the Colorado legislature was a bill which demanded that participating insurers bear the cost of administering the Colorado financial responsibility act. The measure drew only one supporting vote.

## N. Y. Casualty Table Additions

Hospital Service Corp. of Jefferson County, N. Y., in 1950 had net hospitalization premiums of \$162,496 and paid losses of \$164,796 in the state of New York. These figures were not available early enough to be included in the New York table of casualty writings, run last week. This raises total hospitalization premiums in New York to \$110,677,056 and losses paid to \$82,362,687. The grand total of the various totals of the business shown by classes in the table is increased to \$748,569,466 for premiums and \$458,084,009 for losses.



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## Fire-Casualty Results for 1950 Shown

Surplus in the following company reports refers to surplus to policyholders.

**Agricultural**—Assets, \$25,666,234, incr., \$2,184,891. Loss res., \$2,674,110. Unearned prem., \$11,151,621. Capital, \$3,000,000. Surplus, \$10,447,981, incr., \$1,439,478.

	Premiums Earned	Losses Incurred
Fire	5,471,041	2,076,526
Ext. coverage	1,043,150	895,775
Torn, wind, hail	60,904	60,904
Sprinkler & water dam.	17,000	662
Expl., riot, etc.	6,156	37
Earthquake	8,656	—372
Crop-hall	36,016	8,357
Ocean marine	944,473	328,168
Inland marine	828,142	381,605
Aircraft phys. dam.	74,129	42,402
Auto phys. damage	1,833,929	679,707
Totals	10,323,596	4,514,720

**Albany**—Assets, \$4,631,310, incr., \$265,475. Loss res., \$220,652. Unearned prem., \$1,521,330. Capital, \$1,000,000. Surplus, \$2,738,236, incr., \$146,717.

	Premiums Earned	Losses Incurred
Fire	801,225	327,489
Ext. coverage	172,693	172,693
Torn, wind, hail	7,268	8,465
Sprinkler & water dam.	227	227
Expl., riot, etc.	1,952	495
Earthquake	13	—
Inland marine	74,146	25,442
Aircraft phys. damage	24	—
Auto phys. damage	222,929	93,281

**Alliance, England**—Assets, \$7,213,702, incr., \$74,655. Loss res., \$1,412,819. Unearned prem., \$1,025,326. Statutory deposit, \$300,000. Surplus, \$3,645,131, incr., \$83,456.

	Premiums Earned	Losses Incurred
Totals	1,197,728	515,484
Ocean marine	365,840	148,566
Inland marine	74,972	36,816
Personal prop. floater	51,872	17,779
Aircraft phys. dam.	20,652	6,213
Accident	7,203	5,436
Workmen's comp.	22,059	7,921
Liability (not auto)	166,169	56,764
Auto liability	77,911	38,022
Auto prop. damage	582,327	217,868
Auto phys. damage	4,151	1,344
Prop. dam. (not auto)	2,570,799	1,052,218

**Allied Fire, N. Y.**—Assets, \$1,847,993, decr., \$7,760. Loss res., \$63,963. Unearned prem., \$702,058. Capital, \$400,000. Surplus, \$1,011,030, incr., \$57,206.

	Premiums Earned	Losses Incurred
Fire	389,099	153,120
Ext. coverage	53,657	135,718
Torn, wind, hail	182	369
Sprinkler & water dam.	4,546	1,667
Auto phys. damage	285,750	99,850
Ex. of loss reins.	—3,927	1,257
Catast. ex. of loss Reins.	2,668	—71,210
Surplus lines reins.	1,373	2,768
Totals	733,342	323,538

**American Central**—Assets, \$12,950,772, incr., \$7,760. Loss res., \$63,963. Unearned prem., \$702,058. Capital, \$400,000. Surplus, \$1,011,030, incr., \$57,206.

	Premiums Earned	Losses Incurred
Fire	389,099	153,120
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Surplus lines reins.	1,373	2,768
Totals	733,342	323,538

**American Fire, Tex.**—Assets, \$843,700, decr., \$91,055. Loss res., \$35,920. Unearned prem., \$362,758. Capital, \$250,000. Surplus, \$194,590, incr., \$25,172.

	Premiums Earned	Losses Incurred
Fire	175,526	73,021
Ext. coverage	59,679	38,077
Torn, wind, hail	904	298
Expl., riot, etc.	—10	—
Earthquake	7	—
Auto phys. damage	—13	—
Totals	236,107	111,384

**American Home Fire—Assets**, \$5,519,211, incr., \$663,709. Loss res., \$205,011. Unearned prem., \$1,515,589. Capital, \$1,000,000. Surplus, \$3,612,813, incr., \$509,384.

	Premiums Earned	Losses Incurred
Fire	716,695	329,714
Ext. coverage	183,160	140,016
Torn, wind, hail	11,052	9,057
Sprinkler & water dam.	820	438
Expl., riot, etc.	346	—
Earthquake	2,176	—71
Crop-hall	46,160	21,563
Inland marine	113,997	33,619
Auto phys. damage	298,883	133,260
Aircraft prop. dam.	5	—
Totals	1,373,299	667,598

**American Indem. Tex.**—Assets, \$7,611,427, incr., \$1,200,179. Loss res., \$964,363. Unearned prem., \$2,899,424. Capital, \$1,000,000. Surplus, \$2,929,372, incr., \$447,184.

	Premiums Earned	Losses Incurred
Fire	355,295	176,232
Ext. coverage	157,308	144,602
Torn, wind, hail	4,183	1,038
Sprinkler & water dam.	11	—
Expl., riot, etc.	350	—
Earthquake	2	—
Liability (not auto)	370,254	161,814
Auto liability	982,768	414,390
Auto prop. damage	587,114	278,765
Auto phys. damage	776,180	268,527
Prop. dam. (not auto)	37,328	8,915
Fidelity	21,901	4,879
Surety	56,656	21,317
Glass	304,226	112,755
Burglary & theft	191,951	75,542
Totals	3,845,534	1,671,783

**American Surety**—Assets, \$59,533,349, incr., \$390,028. Loss res., \$16,121,718. Unearned prem., \$15,816,967. Capital, \$7,500,000. Surplus, \$23,308,931, incr., \$298,266.

	Premiums Earned	Losses Incurred
Ocean marine	54	—
Inland marine	279,917	215,729
Accident	8,889	1,372
Health	3	—
Group A. & H.	18,172	16,717
Workmen's comp.	3,713,473	3,003,541

\$898,205. Loss res., \$1,033,429. Unearned prem., \$6,234,606. Capital, \$1,000,000. Surplus, \$5,171,263, incr., \$490,261.

	Premiums Earned	Losses Incurred
Fire	3,255,252	1,359,338
Ext. coverage	674,732	475,842
Torn, wind, hail	31,722	20,783
Sprinkler & water dam.	15,442	5,183
Expl., riot, etc.	321	412
Earthquake	5,363	—174
Inland marine	650,850	269,503
Aircraft phys. dam.	—	—748
Auto phys. damage	812,294	292,122
Boiler & machinery	479,184	142,576
Totals	5,925,010	2,564,840

**American Employers**—Assets, \$34,781,280, incr., \$2,106,391. Loss res., \$12,268,267. Unearned prem., \$9,630,459. Capital, \$2,000,000. Surplus, \$10,272,768, incr., \$610,164.

	Premiums Earned	Losses Incurred
Fire	40,827	12,888
Ext. coverage	7,929	10,721
Torn, wind, hail	389	477
Sprinkler & water dam.	358	—
Expl., riot, etc.	2	—
Earthquake	10	—
Inland marine	7,104	6,499
Accident	114,687	36,823
Health	80,704	51,506
Group A. & H. misc.	156,575	112,639
Workmen's comp.	3,630,533	2,319,902
Liability (not auto)	2,008,196	1,191,140
Auto liability	4,811,785	2,503,570
Auto prop. damage	2,563,441	1,307,361
Auto phys. damage	248,706	135,222
Prop. dam. (not auto)	296,720	121,442
Fidelity	424,231	123,508
Surety	961,370	232,384
Glass	286,953	122,624
Burglary & theft	228,731	267,799
Boiler & machinery	451,262	60,419
Totals	16,920,523	8,620,824

**American Fire, Tex.**—Assets, \$843,700, decr., \$91,055. Loss res., \$35,920. Unearned prem., \$362,758. Capital, \$250,000. Surplus, \$194,590, incr., \$25,172.

	Premiums Earned	Losses Incurred
Fire	175,526	73,021
Ext. coverage	59,679	38,077
Torn, wind, hail	904	298
Expl., riot, etc.	—10	—
Earthquake	7	—
Auto phys. damage	—13	—
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Earthquake	2,176	—71
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Inland marine	113,997	33,619
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Torn, wind, hail	4,183	1,038
Sprinkler & water dam.	11	—
Expl., riot, etc.	350	—
Earthquake	2	—
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Auto phys. damage	776,180	268,527
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Fidelity	21,901	4,879
Surety	56,656	21,317
Glass	304,226	112,755
Burglary & theft	191,951	75,542
Totals	3,845,534	1,671,783

**American Surety**—Assets, \$59,533,349, incr., \$390,028. Loss res., \$16,121,718. Unearned prem., \$15,816,967. Capital, \$7,500,000. Surplus, \$23,308,931, incr., \$298,266.

	Premiums Earned	Losses Incurred
Ocean marine	54	—
Inland marine	279,917	215,729
Accident	8,889	1,372
Health	3	—
Group A. & H.	18,172	16,717
Workmen's comp.	3,713,473	3,003,541

	Premiums Earned	Losses Incurred
Liability (not auto)	2,437,075	1,154,662
Auto liability	7,394,009	5,137,959
Auto prop. damage	3,624,055	1,851,291
Auto phys. damage	3,450,866	1,469,534
Prop. dam. (not auto)	459,603	167,107
Fidelity	2,508,109	510,767
Surety	2,675,136	362,895
Glass	143,384	180,456
Burglary & theft	930,870	298,551
Boiler & machinery	11	—
Totals	27,951,104	14,370,599

**Anchor Casualty**—Assets, \$10,463,168, incr., \$635,647. Loss res., \$333,563. Unearned prem., \$3,446,155. Capital, \$1,000,000. Surplus, \$2,656,958, incr., \$490,520.

	Premiums Earned	Losses Incurred
Accident	—1	—159
Health	2	260
Group A. & H. misc.	43,605	31,613
Workmen's comp.	1,553,494	1,039,467
Liability (not auto)	183,655	183,655
Auto liability	1,785,826	761,881
Auto prop. damage	1,202,076	534,334
Auto phys. damage	624,889	207,127
Prop. dam. (not auto)	112,154	43,730
Fidelity	51,827	24,935
Surety	122,965	41,538
Glass	82,424	40,418
Burglary & theft	143,260	62,501
Auto medical	141,398	54,449
Auto collision	1,070,046	416,499
Totals	7,423,620	3,432,428

**Atlas Assur.**—Assets, \$12,921,774, incr., \$1,029,623. Loss res., \$1,355,429. Unearned prem., \$6,213,683. Statutory deposit, \$500,000. Surplus, \$4,507,040, incr., \$605,729.

	Premiums Earned	Losses Incurred
Fire	3,230,699	1,386,289
Ext. coverage	693,010	634,980
Torn, wind, hail	29,071	33,698
Sprinkler & water dam.	6,849	905
Expl., riot, etc.	7,863	1,620
Earthquake	1,122	—
Ocean marine	567,403	323,811
Inland marine	331,937	112,750
Aircraft phys. dam.	97	—
Auto phys. damage	891,714	385,761
Totals	5,761,768	2,879,871

**Auto-Owners (corrected)**—Assets, \$18,328,398, incr., \$1,862,182. Loss res., \$4,255,589. Unearned prem., \$5,780,927. Surplus, \$6,214,586, incr., \$1,880,522.

	Premiums Earned	Losses Incurred
Workmen's comp.	1,413,915	732,001
Liability (not auto)	324,244	53,536
Auto liability	2,627,162	1,345,917
Auto prop. damage	2,288,882	1,194,180
Auto phys. damage	3,044,613	1,338,491
Prop. dam. (not auto)	156,756	34,608
Fidelity	—261	—
Surety	—320	—
Glass	86,223	38,105
Burglary & theft	134,319	29,033
Boiler & machinery	520,181	149,573
Passenger cov.	1,141,361	445,689
Compre. cov.	160,442	39,442
Totals	11,897,517	5,458,680

**Badger Mutual, Wis.**—Assets, \$3,685,065, incr., \$14,919. Loss res., \$245,159. Unearned prem., \$2,122,724. Surplus, \$1,025,161, decr., \$60,915.

	Premiums Earned	Losses Incurred
Fire	1,064,918	374,687
Ext. coverage	410,909	194,609
Torn, wind, hail	14,708	16,700
Sprinkler & water dam.	495	—
Expl., riot, etc.	21	—
Earthquake	7	—
Inland marine	25,574	9,876
Liability (not auto)	1,017	—
Auto liability	95,928	49,490
Auto prop. damage	44,294	35,442
Auto phys. damage	52,932	24,213
Burglary & theft	440	80
Excess of loss reins.	13,141	42,746
Totals	1,724,384	767,453



XLM

Premiums		Losses	\$12,613,395. Capital, \$4,000,000. Surplus, \$23,-	
Earned	Incurred	Incurred	076,451, Incr., \$1,489,715.	
Liability (not auto) .....	73,481	44,171	Premiums	Losses
Auto liability .....	506,034	146,516	Earned	Incurred
Auto prop. damage .....	226,348	104,586	3,283,705	1,332,235
Prop. dam. (not auto) .....	38,847	21,705	573,120	532,721
Disability benefits .....	19,860	12,174	Torn., wind., hail .....	17,056
Totals .....	1,909,156	983,805	Sprinkler & water dam. ....	33,526
			Expl. riot, etc. ....	5,484
<b>Farm Bureau Mutual Auto, O.—Assets,</b>			Earthquake .....	3,361
\$58,842,504, Incr., \$12,224,796. Loss res., \$18,-			2,894,074	1,081,358
288,800. Unearned prem., \$15,562,159. Surplus,			1,001,092	419,121
\$16,035,678, Incr., \$3,318,670.			Personal prop. floater .....	267,351
Accident .....	287,390	128,377	Aircraft phys. dam. ....	207,178
Health .....	100,351	49,551	Accident .....	83,823
Group A. & H. ....	1,410,518	1,067,874	Workmen's comp. ....	28,810
Workmen's comp. ....	1,407,132	955,746	Liability (not auto) ....	88,237
Liability (not auto) .....	914,598	276,312	Auto liability .....	1,197,558
Auto liability .....	18,651,245	11,446,907	Auto prop. damage .....	564,364
Auto prop. damage .....	10,742,758	6,967,871	Auto phys. damage .....	4,054,442
Auto phys. damage .....	17,256,355	7,949,604	Prop. dam. (not auto) .....	16,609
Prop. dam. (not auto) .....	254,974	139,643	Fidelity .....	305,808
Fidelity .....	3,967	2,170	Surety .....	310,093
Burglary & theft .....	151,372	63,922	Burglary & theft .....	28,970
Hospitalization .....	370,050	232,001	Totals .....	14,964,728
Auto theft .....	1,067,451	276,771		
Totals .....	52,618,171	29,556,849	<b>Federal Mutual Fire—Assets, \$2,507,808.</b>	
			Br., \$334,555. Loss res., \$189,155. Unearned	
<b>Farm Bureau Mutual Fire, O.—Assets, \$8,-</b>			prem., \$399,232. Guaranty capital, \$100,000.	
886,758, Incr., \$1,694,194. Loss res., \$538,336.			Total .....	
Unearned prem., \$4,778,949. Guaranty capital,			742,985	
\$325,000. Surplus, \$2,308,999, Incr., \$88,-			Ext. coverage .....	
213.			107,809	
Fire .....	1,764,298	538,704	Torn., wind., hail .....	
Ext. coverage .....	517,367	331,919	44	
Torn., wind., hail .....	19,347	13,203	Sprinkler & water dam. ....	
Crop-hall .....	286,493	209,241	3,423	
Auto fire & comp. ....	3,754,653	1,644,473	Expl. riot, etc. ....	
Ex. of loss-assumed .....	9,635	41,355	36	
Ex. of loss-ceded .....	-75,720	-137,000	Earthquake .....	
Totals .....	6,276,073	2,641,900	442	
			5,007	
<b>Farm Bureau Mutual, Kan.—Assets, \$4,-</b>			86,075	
837,411, Incr., \$1,218,168. Loss res., \$1,104,460.			Personal prop. floater .....	
Unearned prem., \$1,154,853. Surplus, \$1,812,-			19,366	
647, Incr., \$360,335.			Aircraft phys. dam. ....	
Fire .....	18,601	25,965	3,974	
Ext. coverage .....	8,639	2,220	Auto phys. damage .....	
Torn., wind., hail .....	2,642	148	409,568	
Auto medical .....	275,677	96,544	Excess reins. ....	
Liability (not auto) .....	151,735	37,557	-23,306	
Auto liability .....	806,153	495,520	Totals .....	
Auto prop. damage .....	369,593	233,865	1,341,422	
Auto phys. damage .....	2,608,472	1,407,713	521,168	
4-H club .....	2,833	1,578		
Totals .....	4,244,345	2,349,110		
			<b>Fire Association—Assets, \$55,062,371, Incr.,</b>	
<b>Federal—Assets, \$53,837,455, Incr., \$6,852,-</b>			\$10,047,016. Loss res., \$5,967,343. Unearned	
210. Loss res., \$5,148,653. Unearned prem.,			prem., \$22,912,901. Capital, \$3,400,000. Sur-	
			plus, \$23,823,573, Incr., \$6,265,975.	
			Fire .....	
			11,373,728	
			Ext. coverage .....	
			1,961,747	
			Torn., wind., hail .....	
			6,713	
			Sprinkler & water dam. ....	
			52,415	
			Expl. riot, etc. ....	
			26,617	
			Earthquake .....	
			27,012	
			Ocean marine .....	
			1,140,638	
			Inland marine .....	
			2,576,764	
			Aircraft phys. dam. ....	
			162,876	
			Accident .....	
			1,010	
			Health .....	
			2	
			Group A. & H. ....	
			8	

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	Premiums	Losses		Premiums	Losses
	Earned	Incurred		Earned	Incurred
Workmen's comp. ....	23,141	6,911	Fire .....	2,208,046	865,329
Liability (not auto) .....	11,927	2,128	Ext. coverage .....	268,575	176,881
Auto liability .....	53,408	23,890	Torn., wind, hail .....	9,864	13,413
Auto prop. damage .....	27,801	24,410	Sprinkler & water dam. ....	393	15
Auto phys. damage .....	4,176,606	1,738,404	Crop-hall .....	46,008	31,498
Prop. dam. (not auto) .....	1,302	364	Auto phys. damage .....	229,550	106,294
Fidelity .....	478	203	Use and occupancy .....	6,719	4,748
Surety .....	2,297	131	Totals .....	2,768,658	1,198,182
Glass .....	4,398	233	<b>Harleysville Mutual Cas.—Assets, \$10,238,-</b>		
Boiler & machinery .....	3,989	342	430, Incr., \$1,532,925. Loss res., \$2,305,597.		
Aircraft & veh. P.D. ....	80	.....	Unearned prem., \$2,824,598. Surplus, \$3,185,-		
Totals .....	21,650,576	10,835,705	679, Incr., \$447,021.		
<b>Founders, Cal.—Assets, \$8,056,414, Incr., \$2,-</b>			Liability (not auto) .....		
546,086. Loss res., \$1,343,709. Unearned prem.,			66,548		
\$2,421,570. Capital, \$1,000,000. Surplus, \$2,-			Auto liability .....		
906,948, decr., \$84,574.			3,421,634		
Fire .....	747,871	274,614	Auto prop. damage .....		
Ext. coverage .....	219,531	49,772	2,134,771		
Torn., wind, hail .....	536	.....	Prop. dam. (not auto) .....		
Sprinkler & water dam. ....	466	26	13,209		
Earthquake .....	1,107	.....	Totals .....		
Exp. riot, etc. ....	23,835	.....	5,636,163		
Ocean marine .....	273,281	142,672	<b>Holyoke Mutual Fire—Assets, \$6,180,687,</b>		
Inland marine .....	260,756	141,389	Incr., \$847,006. Loss res., \$298,752. Unearned		
Personal prop. floater .....	76,564	37,172	prem., \$2,329,144. Capital deposit, \$100,000.		
Group A. & H. ....	2,095,476	1,575,639	Surplus, \$3,409,913, Incr., \$407,385.		
Liability (not auto) .....	130,217	48,622	Fire .....		
Auto liability .....	630,322	436,411	1,106,374		
Auto prop. damage .....	443,901	233,655	Ext. coverage .....		
Auto phys. damage .....	633,312	272,006	163,927		
Prop. dam. (not auto) .....	35,403	15,086	Torn., wind, hail .....		
Fidelity .....	11,763	7,684	889		
Surety .....	188,276	262,606	Sprinkler & water dam. ....		
Glass .....	57	.....	3,364		
Burglary & theft .....	11,005	10,328	Earthquake .....		
Totals .....	5,750,776	3,507,801	266		
<b>French Union &amp; Universal—Assets, \$9,220,-</b>			Inland marine .....		
899, Incr., \$427,573. Loss res., \$318,330. Unearned			1,705		
prem., \$1,526,613. Statutory deposit,			Auto phys. damage .....		
\$250,000. Surplus, \$1,020,362, Incr., \$293,541.			1,311,448		
Fire .....	1,022,157	456,443	Totals .....		
Ext. coverage .....	162,947	145,782	2,406,073		
Torn., wind, hail .....	6,713	5,372	<b>Homeland—Assets, \$6,353,796, Incr., \$437,-</b>		
Sprinkler & water dam. ....	4,654	1,589	631. Loss res., \$479,084. Unearned prem., \$2,-		
Expl. riot, etc. ....	3,048	1,929	619,343. Capital, \$1,000,000. Surplus, \$2,842,-		
Earthquake .....	4,801	—1	241, Incr., \$137,656.		
Inland marine .....	2,368	762	Fire .....		
Aircraft phys. dam. ....	29	.....	1,336,675		
Auto phys. damage .....	31,234	11,883	Ext. coverage .....		
Totals .....	1,242,249	623,263	268,747		
<b>General Accident—Assets, \$80,166,890, Incr.,</b>			Torn., wind, hail .....		
\$2,663,235. Loss res., \$19,907,691. Unearned			13,964		
prem., \$20,253,732. Statutory deposit, \$1,050,-			Sprinkler & water dam. ....		
000. Surplus, \$29,129,892, Incr., \$2,585,237.			8,561		
Fire .....	1,337,877	456,621	Expl. riot, etc. ....		
Ext. coverage .....	302,749	191,855	3,940		
Torn., wind, hail .....	5,975	3,877	Earthquake .....		
Sprinkler & water dam. ....	1,514	850	2,453		
Expl. riot, etc. ....	875	1,619	Ocean marine .....		
Earthquake .....	1,625	24	129,270		
Ocean marine .....	—	5,599	Inland marine .....		
Inland marine .....	146,654	37,568	146,528		
Aircraft phys. dam. ....	933,352	265,692	Aircraft phys. dam. ....		
Health & Group A. ....	1,209,180	622,756	114		
Group A. & H. ....	500,028	360,683	Auto phys. damage .....		
Workmen's comp. ....	6,068,202	3,805,087	276,783		
Liability (not auto) .....	3,467,999	1,101,745	Rain .....		
Auto liability .....	13,060,795	6,624,295	2,187,736		
Auto prop. damage .....	6,648,892	3,451,490	Totals .....		
Auto phys. damage .....	3,428,539	1,235,189	1,849,959		
Prop. dam. (not auto) .....	516,843	131,124	<b>Ins. Co. of State of Pa.—Assets \$7,839,-</b>		
Fidelity .....	16,096	8,007	935, Incr., \$866,584. Loss res., \$410,692. Un-		
Glass .....	403,428	148,650	earned prem., \$3,126,781. Capital, \$1,000,000.		
Burglary & theft .....	1,044,242	381,636	Surplus, \$3,665,422, Incr., \$613,423.		
Boiler & machinery .....	17,407	—9,009	Fire .....		
Totals .....	39,095,230	18,836,023	1,345,557		
<b>General Reinsurance—Assets, \$58,300,776,</b>			Ext. coverage .....		
Incr., \$4,743,682. Loss res., \$23,990,802. Unearned			344,156		
prem., \$7,737,951. Capital, \$5,000,000. Sur-			Torn., wind, hail .....		
plus, \$21,627,688, Incr., \$3,403,549.			17,789		
Inland marine .....	14	.....	Sprinkler & water dam. ....		
Aircraft phys. dam. ....	5,164	563	1,546		
Accident .....	664,103	328,122	Expl. riot, etc. ....		
Health & Group A. ....	644,341	311,124	683		
Group A. & H. ....	111,015	29,442	Earthquake .....		
Workmen's comp. ....	1,792,733	957,080	4,351		
Liability (not auto) .....	1,203,714	1,019,037	Crop-hall .....		
Auto liability .....	4,025,516	3,457,750	92,321		
Auto prop. damage .....	1,024,447	38,798	Inland marine .....		
Auto phys. damage .....	66,604	25,277	467,194		
Prop. dam. (not auto) .....	391,141	492,147	Auto phys. damage .....		
Fidelity .....	1,503,790	437,958	597,766		
Surety .....	2,983,844	1,235,151	Aircraft prop. dam. ....		
Glass .....	42,611	15,288	11		
Burglary & theft .....	985,933	194,827	Totals .....		
Boiler & machinery .....	334,676	133,651	2,871,378		
Credit .....	311,801	7,932	1,361,276		
Totals .....	15,516,534	8,562,283	<b>Inter-Ins. Exch., Chicago Motor Club—Assets,</b>		
<b>Globe &amp; Rutgers—Assets, \$21,249,163, Incr.,</b>			\$12,405,805, Incr., \$1,099,723. Loss res.,		
\$2,200,389. Loss res., \$1,956,298. Unearned			\$3,191,310. Unearned prem., \$4,476,031. Sur-		
prem., \$7,261,808. Capital, \$1,867,095. Sur-			plus, \$3,011,844, Incr., \$380,807.		
plus, \$10,544,400, Incr., \$1,625,119.			Auto liability .....		
Fire .....	3,449,580	1,531,324	2,799,381		
Ext. coverage .....	868,127	613,127	Auto prop. damage .....		
Torn., wind, hail .....	44,429	3,187	1,505,316		
Sprinkler & water dam. ....	3,838	2,275	Auto phys. damage .....		
Expl. riot, etc. ....	1,727	—35	3,990,142		
Earthquake .....	18,910	—85	Auto medical .....		
Crop-hall .....	230,803	107,817	450,579		
Ocean marine .....	752,990	368,956	Totals .....		
Inland marine .....	173,764	68,565	8,745,418		
Auto phys. damage .....	1,494,417	656,391	<b>La Paternelle—Assets, \$1,292,772, Incr.,</b>		
Aircraft prop. dam. ....	29	.....	\$200,802. Loss res., \$66,200. Unearned prem.,		
Totals .....	7,038,468	3,889,404	\$512,451. Statutory deposit, \$250,000. Surplus,		
<b>Global Dealers National Mutual—Assets,</b>			\$695,254, Incr., \$48,042.		
\$13,892,611, Incr., \$2,512,942. Loss res., \$1,-			Fire .....		
019,000. Unearned prem., \$8,264,514. Surplus,			241,437		
\$3,875,672, Incr., \$875,279.			Ext. coverage .....		
Fire .....	6,324,462	1,934,593	39,157		
Ext. coverage .....	1,199,278	958,070	Torn., wind, hail .....		
Torn., wind, hail .....	189,721	106,555	2,190		
Sprinkler & water dam. ....	25,443	4,126	Sprinkler & water dam. ....		
Expl. riot, etc. ....	1,376	93	1,935		
Earthquake .....	5,706	.....	Expl. riot, etc. ....		
Inland marine .....	275,477	96,047	229		
Personal prop. floater .....	104,864	49,885	Earthquake .....		
Aircraft phys. dam. ....	4,670	2,431	2,430		
Auto phys. damage .....	1,051,929	337,087	Inland marine .....		
Excess cover .....	—305,257	—223,202	26,375		
Totals .....	8,873,989	3,266,755	Aircraft phys. dam. ....		
<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>			4,547		
Incr., \$600,774. Loss res., \$253,919. Unearned			Auto phys. damage .....		
prem., \$2,687,366. Surplus, \$1,760,978, Incr.,			204,577		
\$420,094.			Totals .....		
<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>			1,158,798		
Incr., \$600,774. Loss res., \$253,919. Unearned			<b>Underwriters at Lloyd's, London, Ill.—Assets,</b>		
prem., \$2,687,366. Surplus, \$1,760,978, Incr.,			\$3,643,840, Incr., \$2,091,433. Loss res.,		
\$420,094.			\$5,164,026. Unearned prem., \$4,130,717. Sur-		
<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>			plus, \$566,616, Incr., \$114,453.		
Incr., \$600,774. Loss res., \$253,919. Unearned			Fire .....		
prem., \$2,687,366. Surplus, \$1,760,978, Incr.,			1,049,781		
\$420,094.			Ext. coverage .....		
<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>			8,723		
Incr., \$600,774. Loss res., \$253,919. Unearned			Torn., wind, hail .....		
prem., \$2,687,366. Surplus, \$1,760,978, Incr.,			505		
\$420,094.			Sprinkler & water dam. ....		
<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>			832		
Incr., \$600,774. Loss res., \$253,919. Unearned			Expl. riot, etc. ....		
prem., \$2,687,366. Surplus, \$1,760,978, Incr.,			—2,288		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
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\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
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\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
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\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,		
\$420,094.			<b>Harford Mutual, Md.—Assets, \$4,965,280,</b>		
Incr., \$600,774. Loss res., \$253,919. Unearned			prem., \$2,687,366. Surplus, \$1,760,978, Incr.,</		





	Premiums Earned	Losses Incurred		Premiums Earned	Losses Incurred
Liability (not auto) .....	73,481	44,171	Fire .....	3,283,705	1,532,235
Auto liability .....	506,034	146,516	Ext. coverage .....	573,120	383,711
Auto prop. damage .....	226,348	104,586	Torn. wind, hail .....	17,066	9,858
Prop. dam. (not auto) .....	38,847	21,705	Sprinkler & water dam. ....	33,526	19,219
Disability benefits .....	19,860	12,174	Expl. riot, etc. ....	5,510	3,381
Totals .....	1,909,156	983,805	Earthquake .....	2,894,074	1,081,358
<b>Farm Bureau Mutual Auto, O.—Assets,</b>			Ocean marine .....	1,001,092	419,121
\$58,842,504, Incr., \$12,224,796. Loss res., \$18,288,800. Unearned prem., \$15,562,159. Surplus, \$16,055,678, Incr., \$3,318,670.			Personal prop. floater .....	267,351	111,988
Accident .....	287,390	128,377	Aircraft phys. dam. ....	207,178	70,981
Health .....	100,351	49,651	Accident .....	83,823	24,737
Group A. & H. ....	1,410,518	1,067,874	Workmen's comp. ....	28,810	21,743
Workmen's comp. ....	1,407,132	955,746	Liability (not auto) .....	1,197,268	420,588
Liability (not auto) .....	914,598	276,312	Auto liability .....	654,364	291,035
Auto liability .....	18,651,245	11,446,907	Auto prop. damage .....	4,054,642	1,526,459
Auto prop. damage .....	10,742,758	6,967,871	Auto phys. damage .....	16,609	5,373
Auto phys. damage .....	17,256,355	7,949,604	Prop. dam. (not auto) .....	305,808	148,922
Prop. dam. (not auto) .....	254,974	139,643	Fidelity .....	310,093	15,778
Fidelity .....	3,967	2,170	Burglary & theft .....	29,870	16,267
Burglary & theft .....	151,372	63,922	Totals .....	14,964,728	6,133,575
Hospitalization .....	370,030	232,001	<b>Federal Mutual Fire—Assets,</b>		
Auto theft .....	1,067,481	276,771	Incr., \$41,935. Loss res., \$18,288,800. Unearned prem., \$1,390,232. Guaranty capital, \$100,000.		
Totals .....	52,618,171	29,556,849	Fire .....	742,983	227,164
<b>Farm Bureau Mutual Fire, O.—Assets,</b>			Ext. coverage .....	107,809	346,548
\$86,758, Incr., \$1,694,194. Loss res., \$538,336. Unearned prem., \$4,778,949. Guaranty capital, \$325,000. Surplus, \$2,308,999, Incr., \$88,213.			Torn. wind, hail .....	44	133
Fire .....	1,764,298	538,704	Sprinkler & water dam. ....	3,423	747
Ext. coverage .....	517,367	331,919	Expl. riot, etc. ....	36	—
Torn. wind, hail .....	19,347	13,203	Earthquake .....	442	5,007
Crop-hall .....	286,493	209,241	Inland marine .....	86,071	20,517
Auto fire & comp. ....	2,764,653	1,644,478	Personal prop. floater .....	10,366	8,456
Ex. of loss—assumed .....	9,635	41,355	Aircraft phys. dam. ....	3,974	1,427
Ex. of loss—ceded .....	75,720	137,000	Auto phys. damage .....	409,568	167,040
Totals .....	6,276,073	2,641,900	Excess reins. ....	—23,306	—256,010
<b>Farm Bureau Mutual, Kan.—Assets,</b>			Totals .....	1,341,422	521,168
\$37,411, Incr., \$1,218,168. Loss res., \$1,104,460. Unearned prem., \$1,154,846. Surplus, \$1,812,647, Incr., \$360,335.			<b>Fire Association—Assets,</b>		
Fire .....	18,601	25,965	\$55,062,371, Incr., \$1,047,016. Loss res., \$5,967,343. Unearned prem., \$2,291,921. Capital, \$3,400,000. Surplus, \$3,823,573, Incr., \$6,265,975.		
Ext. coverage .....	8,639	2,220	Fire .....	11,323,297	7,494,917
Torn. wind, hail .....	2,642	148	Ext. coverage .....	1,961,747	2,393,774
Auto medical .....	275,677	96,544	Torn. wind, hail .....	36,194	63,167
Auto medical (not auto) .....	151,735	37,557	Sprinkler & water dam. ....	52,415	7,207
Auto liability .....	806,153	493,520	Expl. riot, etc. ....	26,617	5,975
Auto prop. damage .....	369,593	238,565	Earthquake .....	27,012	1,387
Auto phys. damage .....	2,608,472	1,407,713	Ocean marine .....	1,140,638	439,302
I-H club .....	2,833	1,578	Inland marine .....	2,576,764	1,286,635
Totals .....	4,244,345	2,349,110	Aircraft phys. dam. ....	162,876	6,035
<b>Federal—Assets,</b>			Accident .....	1,010	285
\$53,837,455, Incr., \$6,852, Incr., \$5,148,653. Unearned prem.,			Health .....	2	—
			Group A. & H. ....	8	—

	Premiums Earned	Losses Incurred		Premiums Earned	Losses Incurred
Workmen's comp. ....	23,141	6,911	Fire .....	2,208,046	865,329
Liability (not auto) .....	11,927	2,128	Ext. coverage .....	268,575	176,881
Auto liability .....	53,403	28,890	Torn. wind, hail .....	9,864	13,413
Auto prop. damage .....	27,801	24,410	Sprinkler & water dam. ....	393	15
Auto phys. damage .....	4,176,606	1,738,404	Crop-hall .....	46,008	31,499
Prop. dam. (not auto) .....	1,302	364	Auto phys. damage .....	229,050	106,294
Fidelity .....	478	203	Use and occupancy .....	6,719	4,748
Surety .....	2,297	131	Totals .....	2,768,658	1,198,182
Glass .....	398	252	<b>Harleysville Mutual Cas.—Assets,</b>		
Burglary & theft .....	3,989	342	\$430, Incr., \$1,532,925. Loss res., \$2,305,507. Unearned prem., \$2,824,598. Surplus, \$3,188,679, Incr., \$447,021.		
Boiler & machinery .....	125	.....	Liability (not auto) .....	66,548	44,369
Aircraft & veh. P.D. ....	80	.....	Auto liability .....	3,421,634	1,611,449
Totals .....	21,650,576	10,835,705	Auto prop. damage .....	2,134,771	1,063,577
<b>Founders, Cal.—Assets,</b>			Prop. dam. (not auto) .....	13,209	5,885
\$546,086. Loss res., \$1,343,709. Unearned prem., \$3,421,570. Capital, \$1,000,000. Surplus, \$2,906,948, Incr., \$84,574.			Totals .....	5,636,163	2,725,282
Fire .....	747,871	274,614	<b>Holyoke Mutual Fire—Assets,</b>		
Ext. coverage .....	219,531	49,772	\$847,006. Loss res., \$298,752. Unearned prem., \$2,329,144. Capital deposit, \$100,000. Surplus, \$3,409,913, Incr., \$407,285.		
Torn. wind, hail .....	536	.....	Fire .....	1,106,374	325,619
Sprinkler & water dam. ....	466	23	Ext. coverage .....	163,027	172,414
Expl. riot, etc. ....	1,107	26	Torn. wind, hail .....	889	2,706
Earthquake .....	23,835	.....	Sprinkler & water dam. ....	3,364	1,277
Ocean marine .....	273,281	142,672	Earthquake .....	266	.....
Inland marine .....	260,756	141,389	Inland marine .....	1,705	752
Personal prop. floater .....	76,564	37,172	Auto phys. damage .....	1,131,448	385,286
Group A. & H. ....	2,095,476	1,575,689	Totals .....	2,406,073	888,054
Liability (not auto) .....	130,217	48,622	<b>Homeland—Assets,</b>		
Auto liability .....	630,322	436,411	\$635,796, Incr., \$437,631. Loss res., \$479,084. Unearned prem., \$2,619,343. Capital, \$1,000,000. Surplus, \$2,842,241, Incr., \$137,656.		
Auto prop. damage .....	410,991	233,695	Fire .....	1,336,675	527,840
Prop. dam. (not auto) .....	633,312	35,403	Ext. coverage .....	268,747	198,801
Fidelity .....	11,763	7,684	Torn. wind, hail .....	13,964	9,723
Surety .....	188,276	262,606	Sprinkler & water dam. ....	8,561	4,041
Glass .....	57	.....	Expl. riot, etc. ....	3,940	134
Burglary & theft .....	11,005	10,328	Earthquake .....	2,453	—592
Totals .....	5,750,776	3,507,801	Ocean marine .....	129,270	67,989
<b>French Union &amp; Universal—Assets,</b>			Inland marine .....	146,528	61,291
\$899, Incr., \$427,573. Loss res., \$318,330. Unearned prem., \$1,526,613. Statutory deposit, \$250,000. Surplus, \$1,020,362, Incr., \$293,541.			Aircraft phys. dam. ....	114	493
Fire .....	1,022,151	456,443	Auto phys. damage .....	276,783	107,499
Ext. coverage .....	167,247	145,782	Rain .....	696	315
Torn. wind, hail .....	6,713	3,732	Totals .....	2,187,736	977,552
Sprinkler & water dam. ....	4,654	1,589	<b>Home Mutual Cas., Wis.—Assets,</b>		
Expl. riot, etc. ....	3,048	1,929	\$284,259. Loss res., \$858,155. Unearned prem., \$775,200. Surplus, \$514,120, Incr., \$41,130.		
Earthquake .....	4,801	—1	Auto liability .....	954,489	616,540
Inland marine .....	2,368	762	Auto prop. damage .....	430,550	297,832
Aircraft phys. dam. ....	29	.....	Auto phys. damage .....	286,030	144,427
Auto phys. damage .....	31,234	11,383	Auto comprehensive .....	117,532	50,455
Totals .....	1,242,249	623,263	Auto fire, theft .....	59,601	8,086
<b>General Accident—Assets,</b>			Towing .....	758	346
\$80,166,890, Incr., \$2,663,235. Loss res., \$19,907,691. Unearned prem., \$20,253,732. Statutory deposit, \$1,050,000. Surplus, \$29,129,892, Incr., \$2,585,237.			Totals .....	1,848,959	1,117,686
Fire .....	1,337,877	476,621	<b>Ins. Co. of State of Pa.—Assets</b>		
Ext. coverage .....	302,749	191,855	\$935, Incr., \$866,584. Loss res., \$410,692. Unearned prem., \$3,125,781. Capital, \$1,000,000. Surplus, \$3,665,422, Incr., \$613,423.		
Torn. wind, hail .....	5,975	3,877	Fire .....	1,845,557	600,278
Sprinkler & water dam. ....	1,514	850	Ext. coverage .....	344,156	243,256
Expl. riot, etc. ....	875	1,619	Torn. wind, hail .....	17,789	12,986
Earthquake .....	1,625	24	Sprinkler & water dam. ....	1,546	830
Ocean marine .....	146,654	37,668	Expl. riot, etc. ....	683	—1
Inland marine .....	22,917	4,366	Earthquake .....	4,351	—142
Aircraft phys. dam. ....	893,382	265,932	Crop-hall .....	92,321	43,126
Accident .....	1,209,180	622,756	Inland marine .....	467,194	194,985
Health .....	500,028	360,682	Auto phys. damage .....	597,766	265,985
Group A. & H. ....	6,068,292	3,805,087	Aircraft prop. dam. ....	11	.....
Workmen's comp. ....	2,467,999	1,101,745	Totals .....	2,871,378	1,361,276
Auto liability .....	13,060,795	6,624,295	<b>Inter-Ins. Exch., Chicago Motor Club—Assets,</b>		
Auto prop. damage .....	6,648,892	3,451,490	\$12,405,805, Incr., \$1,099,723. Loss res., \$3,191,310. Unearned prem., \$4,476,031. Surplus, \$3,011,844, Incr., \$380,807.		
Auto phys. damage .....	3,428,539	1,233,189	Auto liability .....	2,759,381	2,055,259
Prop. dam. (not auto) .....	516,843	131,114	Auto prop. damage .....	1,505,316	860,153
Fidelity .....	16,096	8,007	Auto phys. damage .....	3,990,142	1,667,514
Glass .....	403,428	148,650	Auto medical .....	450,579	230,543
Burglary & theft .....	1,044,242	381,636	Totals .....	8,745,418	4,813,469
Boiler & machinery .....	17,407	—9,009	<b>Interstate—Assets,</b>		
Totals .....	39,095,280	18,936,023	\$5,672,945, Incr., \$1,171,842. Loss res., \$257,928. Unearned prem., \$3,274,556. Capital, \$400,000. Surplus, \$1,628,296, Incr., \$376,116.		
<b>General Reinsurance—Assets,</b>			Auto phys. damage .....	2,956,343	1,437,165
\$58,300,776, Incr., \$4,743,682. Loss res., \$23,930,802. Unearned prem., \$7,737,951. Capital, \$5,000,000. Surplus, \$21,627,688, Incr., \$3,408,129.			<b>Iowa Farm Mutual—Assets,</b>		
Fire .....	3,449,580	1,531,324	\$8,456,922, Incr., \$1,589,131. Loss res., \$1,591,224. Unearned prem., \$1,937,001. Surplus, \$3,345,219, Incr., \$1,105,932.		
Ext. coverage .....	868,127	613,246	Liability (not auto) .....	132,777	88,967
Torn. wind, hail .....	44,279	32,187	Auto liability .....	695,366	520,430
Sprinkler & water dam. ....	3,838	2,275	Auto prop. damage .....	627,741	478,995
Expl. riot, etc. ....	1,727	—3	Auto phys. damage .....	3,980,425	1,811,116
Earthquake .....	18,910	—355	Prop. dam. (not auto) .....	116,162	63,540
Crop-hall .....	230,803	107,817	Phys. dam. (not auto) .....	115,654	40,253
Ocean marine .....	752,990	368,956	Auto medical .....	277,576	131,245
Inland marine .....	173,702	65,565	Farm medical .....	267,601	143,227
Auto phys. damage .....	1,494,417	665,391	Policy fees .....	265,173	.....
Aircraft prop. dam. ....	29	.....	Totals .....	6,478,475	3,277,773
Totals .....	7,038,468	3,389,404	<b>La Paternelle—Assets,</b>		
<b>Grain Dealers National Mutual—Assets,</b>			\$1,292,772, Incr., \$200,802. Loss res., \$66,200. Unearned prem., \$512,451. Statutory deposit, \$250,000. Surplus, \$695,254, Incr., \$48,042.		
\$13,892,611, Incr., \$2,512,942. Loss res., \$1,019,085. Unearned prem., \$8,264,514. Surplus, \$2,875,672, Incr., \$875,279.			Ext. coverage .....	241,437	106,768
Fire .....	6,324,462	1,934,593	Torn. wind, hail .....	39,167	26,599
Ext. coverage .....	1,199,278	958,070	Sprinkler & water dam. ....	1,935	452
Torn. wind, hail .....	189,721	106,555	Expl. riot, etc. ....	229	677
Sprinkler & water dam. ....	25,443	4,126	Earthquake .....	2,049	—1
Expl. riot, etc. ....	1,376	93	Aircraft phys. dam. ....	6	.....
Earthquake .....	5,506	.....	Auto phys. damage .....	9,106	3,079
Inland marine .....	275,477	96,017	Totals .....	296,192	138,574
Personal prop. floater .....	101,184	40,985	<b>Law Union &amp; Rock—Assets,</b>		
Aircraft phys. dam. ....	4,670	2,431	\$3,374,339, Incr., \$239,013. Loss res., \$184,672. Unearned prem., \$1,523,355. Statutory deposit, \$300,000. Surplus, \$1,584,353, Incr., \$97,991.		
Auto phys. damage .....	1,051,929	337,087	Fire .....	731,397	282,785
Excess cover .....	—305,257	—223,202	Ext. coverage .....	176,626	159,947
Totals .....	8,373,989	3,256,755	Torn. wind, hail .....	4,484	7,115
<b>Harford Mutual, Md.—Assets,</b>			Sprinkler & water dam. ....	2,737	491
\$496,280, Incr., \$660,774. Loss res., \$253,919. Unearned prem., \$2,687,366. Surplus, \$1,760,978, Incr., \$420,094.			Expl. riot, etc. ....	2,630	—144
Fire .....	6,324,462	1,934,593	Earthquake .....	2,430	.....
Ext. coverage .....	1,199,278	958,070	Inland marine .....	26,375	14,091
Torn. wind, hail .....	189,721	106,555	Aircraft phys. dam. ....	4,547	1,760
Sprinkler & water dam. ....	25,443	4,126	Auto phys. damage .....	204,577	71,854
Expl. riot, etc. ....	1,376	93	Totals .....	1,155,798	537,902
Earthquake .....	5,506	.....	<b>Underwriters at Lloyds, London, Ill.—Assets,</b>		
Inland marine .....	275,477	96,017	\$13,643,840, Incr., \$2,091,433. Loss res., \$6,160,826. Unearned prem., \$4,130,717. Surplus, \$706,604, Incr., \$114,458.		
Personal prop. floater .....	101,184	40,985	Fire .....	1,049,781	17,669
Aircraft phys. dam. ....	4,670	2,431	Ext. coverage .....	8,723	284
Auto phys. damage .....	1,051,929	337,087	Torn. wind, hail .....	505	46
Excess cover .....	—305,257	—223,202	Sprinkler & water dam. ....	832	.....
Totals .....	8,373,989	3,256,755	Expl. riot, etc. ....	—2,288	.....
<b>London—Assets,</b>			<b>London—Assets,</b>		
\$1,200,000, Incr., \$120,000. Loss res., \$120,000. Unearned prem., \$120,000. Capital, \$120,000. Surplus, \$120,000, Incr., \$120,000.			\$1,200,000, Incr., \$120,000. Loss res., \$120,000. Unearned prem., \$120,000. Capital, \$120,000. Surplus, \$120,000, Incr., \$120,000.		
Fire .....	1,200,000	120,000	Fire .....	1,200,000	120,000
Ext. coverage .....	120,000	12,000	Ext. coverage .....	120,000	12,000
Torn. wind, hail .....	12,000	1,200	Torn. wind, hail .....	12,000	1,200
Sprinkler & water dam. ....	1,200	120	Sprinkler & water dam. ....	1,200	120
Expl. riot, etc. ....	120	12	Expl. riot, etc. ....	120	12
Earthquake .....	12,000	1,200	Earthquake .....	12,000	1,200
Ocean marine .....	120,000	12,000	Ocean marine .....	120,000	12,000
Inland marine .....	12,000	1,200	Inland marine .....	12,000	1,200
Auto phys. damage .....	12,000	1,200	Auto phys. damage .....	12,000	1,200
Aircraft prop. dam. ....	120	12	Aircraft prop. dam. ....	120	12
Totals .....	1,200,000	120,000	Totals .....	1,200,000	120,000
<b>Marine, Inc.—Assets,</b>			<b>Marine, Inc.—Assets,</b>		
\$365,558, Incr., \$136,276. Loss res., \$136,276. Unearned prem., \$136,276. Capital, \$136,276. Surplus, \$136,276, Incr., \$136,276.			\$365,558, Incr., \$136,276. Loss res., \$136,276. Unearned prem., \$136,276. Capital, \$136,276. Surplus, \$136,276, Incr., \$136,276.		
Fire .....	365,558	36,556	Fire .....	365,558	36,556
Ext. coverage .....	36,556	3,656	Ext. coverage .....	36,556	3,656
Torn. wind, hail .....	3,656	366	Torn. wind, hail .....	3,656	366
Sprinkler & water dam. ....	366	36	Sprinkler & water dam. ....	366	36
Expl. riot, etc. ....	36	3	Expl. riot, etc. ....	36	3
Earthquake .....	36,556	3,656	Earthquake .....	36,556	3,656
Ocean marine .....	36,556	3,656	Ocean marine .....	36,556	3,656
Inland marine .....	3,656	366	Inland marine .....	3,656	366
Auto phys. damage .....	3,656	366	Auto phys. damage .....	3,656	366
Aircraft prop. dam. ....	36	3	Aircraft prop. dam. ....	36	3
Totals .....	365,558	36,556	Totals .....	365,558	36,556
<b>Maryland—Assets,</b>			<b>Maryland—Assets,</b>		
\$93,913, Incr., \$93,913. Loss res., \$93,913. Unearned prem., \$93,913. Capital, \$93,913. Surplus, \$93,913, Incr., \$93,913.			\$93,913, Incr., \$93,913. Loss res., \$93,913. Unearned prem., \$93,913. Capital, \$93,913. Surplus, \$93,913, Incr., \$93,913.		
Fire .....	93,913	9,391	Fire .....	93,913	9,391
Ext. coverage .....	9,391	939	Ext. coverage .....	9,391	939
Torn. wind, hail .....	939	93	Torn. wind, hail .....	939	93
Sprinkler & water dam. ....	93	9	Sprinkler & water dam. ....	93	9
Expl. riot, etc. ....	9	0	Expl. riot, etc. ....	9	0
Earthquake .....	93,913	9,391	Earthquake .....	93,913	9,391
Ocean marine .....	93,913	9,391	Ocean marine .....	93,913	9,391
Inland marine .....	9,391	939	Inland marine .....	9,391	939
Auto phys. damage .....	9,391	939	Auto phys. damage .....	9,391	939
Aircraft prop. dam. ....	93	9	Aircraft prop. dam. ....	93	9
Totals .....	93,913	9,391	Totals .....	93,913	9,391
<b>Mercantile—Assets,</b>			<b>Mercantile—Assets,</b>		
\$520, Loss res., \$520. Unearned prem., \$520. Capital, \$520. Surplus, \$520, Incr., \$520.			\$520, Loss res., \$520. Unearned prem., \$520. Capital, \$520. Surplus, \$520, Incr., \$520.		
Fire .....	520	52	Fire .....	520	52
Ext. coverage .....	52	5	Ext. coverage .....	52	5
Torn. wind, hail .....	5	0	Torn. wind, hail .....	5	0
Sprinkler & water dam. ....	0	0	Sprinkler & water dam. ....	0	0
Expl. riot, etc. ....	0	0	Expl. riot, etc. ....	0	0
Earthquake .....	520	52	Earthquake .....	520	52
Ocean marine .....	520	52	Ocean marine .....	520	52
Inland marine .....	52	5	Inland marine .....	52	5
Auto phys. damage .....	52	5	Auto phys. damage .....	52	5
Aircraft prop. dam. ....	5	0	Aircraft prop. dam. ....	5	0
Totals .....	520	52	Totals .....	520	52
<b>Merchants—Assets,</b>			<b>Merchants—Assets,</b>		
\$718,276, Incr., \$718,276. Loss res., \$718,276. Unearned prem., \$718,276. Capital, \$718,276. Surplus, \$718,276, Incr., \$718,276.			\$718,276, Incr., \$718,276. Loss res., \$718,276. Unearned prem., \$718,276. Capital, \$718,276. Surplus, \$718,276, Incr., \$718,276.		
Fire .....	718,276	71,828	Fire .....	718,276	71,828
Ext. coverage .....	71,828	7,183	Ext. coverage .....	71,828	7,183
Torn. wind, hail ..					



Incurring		Premiums		Losses		Min. Farmers Mutual Cas.—Assets, \$1,526,367, inc., \$190,516. Loss res., \$326,867. Unearned prem., \$413,332. Surplus, \$714,158, inc., \$92,894.		Premiums		Losses		Group A. & H.		Premiums		Losses	
Incurred		Earned		Incurred		Incurred		Incurred		Incurred		Incurred		Incurred		Incurred	
165,329	inland marine	945,826	233,578	233,578	233,578	945,826	233,578	233,578	233,578	945,826	233,578	233,578	233,578	945,826	233,578	233,578	233,578
876,881	aircraft phys. damage	56,343	56,343	56,343	56,343	56,343	56,343	56,343	56,343	56,343	56,343	56,343	56,343	56,343	56,343	56,343	56,343
13,413	accident	761,092	359,243	359,243	359,243	761,092	359,243	359,243	359,243	761,092	359,243	359,243	359,243	761,092	359,243	359,243	359,243
31,499	excess work comp.	275,814	128,017	128,017	128,017	275,814	128,017	128,017	128,017	275,814	128,017	128,017	128,017	275,814	128,017	128,017	128,017
106,294	liability (not auto)	4,854,813	3,126,215	3,126,215	3,126,215	4,854,813	3,126,215	3,126,215	3,126,215	4,854,813	3,126,215	3,126,215	3,126,215	4,854,813	3,126,215	3,126,215	3,126,215
4,748	auto liability	786,948	541,978	541,978	541,978	786,948	541,978	541,978	541,978	786,948	541,978	541,978	541,978	786,948	541,978	541,978	541,978
1,198,182	auto prop. damage	275,543	24,428	24,428	24,428	275,543	24,428	24,428	24,428	275,543	24,428	24,428	24,428	275,543	24,428	24,428	24,428
\$10,238.	auto phys. damage	459,665	18,527	18,527	18,527	459,665	18,527	18,527	18,527	459,665	18,527	18,527	18,527	459,665	18,527	18,527	18,527
\$305,507.	prop. dam. (not auto)	25,450	29,606	29,606	29,606	25,450	29,606	29,606	29,606	25,450	29,606	29,606	29,606	25,450	29,606	29,606	29,606
\$3,185.	fidelity	613,751	10,087	10,087	10,087	613,751	10,087	10,087	10,087	613,751	10,087	10,087	10,087	613,751	10,087	10,087	10,087
44,369	surety	10,928	10,928	10,928	10,928	10,928	10,928	10,928	10,928	10,928	10,928	10,928	10,928	10,928	10,928	10,928	10,928
1,611,448	burglary & theft	475,756	326,309	326,309	326,309	475,756	326,309	326,309	326,309	475,756	326,309	326,309	326,309	475,756	326,309	326,309	326,309
1,063,577	boiler & machinery	60,796	41,181	41,181	41,181	60,796	41,181	41,181	41,181	60,796	41,181	41,181	41,181	60,796	41,181	41,181	41,181
\$2,725,382	miscellaneous	291,208	175,972	175,972	175,972	291,208	175,972	175,972	175,972	291,208	175,972	175,972	175,972	291,208	175,972	175,972	175,972
1,160,687	Totals	10,950,497	5,054,586	5,054,586	5,054,586	10,950,497	5,054,586	5,054,586	5,054,586	10,950,497	5,054,586	5,054,586	5,054,586	10,950,497	5,054,586	5,054,586	5,054,586
1,160,687	London & Lancashire—Assets, \$12,190,924.																
1,000,000	inc., \$1,269,632. Loss res., \$876,284. Un-																
325,619	earned prem., \$7,026,286. Deposit capital,																
172,414	\$500,000. Surplus, \$3,336,142. Inc., \$81,289.																
2,706	Fire	3,332,720	1,319,115	1,319,115	1,319,115	3,332,720	1,319,115	1,319,115	1,319,115	3,332,720	1,319,115	1,319,115	1,319,115	3,332,720	1,319,115	1,319,115	1,319,115
1,277	Ext. coverage	849,070	770,360	770,360	770,360	849,070	770,360	770,360	770,360	849,070	770,360	770,360	770,360	849,070	770,360	770,360	770,360
752	Torn. wind, hail	16,591	33,793	33,793	33,793	16,591	33,793	33,793	33,793	16,591	33,793	33,793	33,793	16,591	33,793	33,793	33,793
385,266	Sprinkler & water dam.	13,086	2,346	2,346	2,346	13,086	2,346	2,346	2,346	13,086	2,346	2,346	2,346	13,086	2,346	2,346	2,346
888,504	Expl. riot, etc.	12,394	—687	—687	—687	12,394	—687	—687	—687	12,394	—687	—687	—687	12,394	—687	—687	—687
\$437.	Earthquake	12,385	58,667	58,667	58,667	12,385	58,667	58,667	58,667	12,385	58,667	58,667	58,667	12,385	58,667	58,667	58,667
\$2,842.	Auto phys. damage	124,052	64,576	64,576	64,576	124,052	64,576	64,576	64,576	124,052	64,576	64,576	64,576	124,052	64,576	64,576	64,576
527,840	Auto prop. damage	20,655	8,358	8,358	8,358	20,655	8,358	8,358	8,358	20,655	8,358	8,358	8,358	20,655	8,358	8,358	8,358
198,801	Auto phys. damage	971,678	338,685	338,685	338,685	971,678	338,685	338,685	338,685	971,678	338,685	338,685	338,685	971,678	338,685	338,685	338,685
9,733	Prop. dam. (not auto)	5,486,017	2,622,215	2,622,215	2,622,215	5,486,017	2,622,215	2,622,215	2,622,215	5,486,017	2,622,215	2,622,215	2,622,215	5,486,017	2,622,215	2,622,215	2,622,215
4,242	Marine, England—Assets, \$10,287,439. Inc.,																
138	\$36,258. Loss res., \$1,860,808. Unearned prem.,																
—592	\$1,362,746. Statutory deposit, \$300,000. Sur-																
67,988	plus, \$5,240,768. Inc., \$3,264.																
61,291	Ocean marine	1,862,831	693,133	693,133	693,133	1,862,831	693,133	693,133	693,133	1,862,831	693,133	693,133	693,133	1,862,831	693,133	693,133	693,133
107,498	Inland marine	762,392	263,603	263,603	263,603	762,392	263,603	263,603	263,603	762,392	263,603	263,603	263,603	762,392	263,603	263,603	263,603
315	Personal prop. floater	84,446	64,566	64,566	64,566	84,446	64,566	64,566	64,566	84,446	64,566	64,566	64,566	84,446	64,566	64,566	64,566
197,552	Aircraft phys. dam.	51,872	17,779	17,779	17,779	51,872	17,779	17,779	17,779	51,872	17,779	17,779	17,779	51,872	17,779	17,779	17,779
98,023	Accident	20,652	6,213	6,213	6,213	20,652	6,213	6,213	6,213	20,652	6,213	6,213	6,213	20,652	6,213	6,213	6,213
197,552	Workmen's comp.	7,203	4,536	4,536	4,536	7,203	4,536	4,536	4,536	7,203	4,536	4,536	4,536	7,203	4,536	4,536	4,536
98,023	Liability (not auto)	22,059	7,921	7,921	7,921	22,059	7,921	7,921	7,921	22,059	7,921	7,921	7,921	22,059	7,921	7,921	7,921
197,552	Auto liability	166,169	56,764	56,764	56,764	166,169	56,764	56,764	56,764	166,169	56,764	56,764	56,764	166,169	56,764	56,764	56,764
98,023	Auto prop. damage	77,911	38,022	38,022	38,022	77,911	38,022	38,022	38,022	77,911	38,022	38,022	38,022	77,911	38,022	38,022	38,022
197,552	Auto phys. damage	522,237	218,900	218,900	218,900	522,237	218,900	218,900	218,900	522,237	218,900	218,900	218,900	522,237	218,900	218,900	218,900
197,552	Prop. dam. (not auto)	4,151	1,343	1,343	1,343	4,151	1,343	1,343	1,343	4,151	1,343	1,343	1,343	4,151	1,343	1,343	1,343
197,552	Totals	3,641,897	1,374,076	1,374,076	1,374,076	3,641,897	1,374,076	1,374,076	1,374,076	3,641,897	1,374,076	1,374,076	1,374,076	3,641,897	1,374,076	1,374,076	1,374,076
616,540	Maritime—Assets, \$2,102,949. Inc., \$122,683.																
297,832	Loss res., \$334,076. Unearned prem., \$225,320.																
144,427	Statutory deposit, \$250,000. Surplus, \$1,463.																
50,455	150, inc., \$125,352.																
8,086	Ocean marine	400,375	167,183	167,183	167,183	400,375	167,183	167,183	167,183	400,375	167,183	167,183	167,183	400,375	167,183	167,183	167,183
117,686	Inland marine	92,525	49,024	49,024	49,024	92,525	49,024	49,024	49,024	92,525	49,024	49,024	49,024	92,525	49,024	49,024	49,024
\$7,839.	Auto phys. damage	8,377	219,750	219,750	219,750	8,377	219,750	219,750	219,750	8,377	219,750	219,750	219,750	8,377	219,750	219,750	219,750
300,000	Totals	501,278	219,750	219,750	219,750	501,278	219,750	219,750	219,750	501,278	219,750	219,750	219,750	501,278	219,750	219,750	219,750
600,278	Maryland Casualty—Assets, \$114,938,579.																
243,256	inc., \$9,919,956. Loss res., \$56,388,549. Un-																
12,986	earned prem., \$35,405,617. Capital, \$5,458,453.																
830	Surplus, \$32,361,572. Inc., \$2,679,423.																
—1	Sprinkler & water dam.	21,203	77,272	77,272	77,272	21,203	77,272	77,272	77,272	21,203	77,272	77,272	77,272	21,2			

Premiums				Losses				Premiums				Losses				Premiums				Losses			
Earned		Incurred		Earned		Incurred		Earned		Incurred		Earned		Incurred		Earned		Incurred		Earned		Incurred	
<b>598. Capital, \$1,000,000.</b>																							
decr., \$54,992.																							
Fire		2,087,368		828,726				Earthquake		3,038						Auto Liability		282,437		143,883			
Ext. coverage		527,821		489,571				Inland marine		32,982		17,614				Auto prop. damage		154,778		119,049			
Torn. wind, hail		14,382		21,803				Aircraft phys. dam.		5,916		2,200				Auto phys. damage		439,973		246,181			
Sprinkler & water dam.		8,193		1,480				Auto phys. damage		255,710		88,319				Prop. dam. (not auto)		50,317		17,197			
Expl. riot, etc.		7,849		—433				Totals		1,898,667		667,135				Fidelity		14					
Earthquake		7,728						<b>St. Paul-Mercury Indemnity—Assets, \$50-</b>								Surety		4,856		1,109,527		316,557	
Inland marine		77,158		42,630				418,082, Incr., \$3,927,143. Loss res., \$16,325-								Glass		4,500		1,913			
Aircraft phys. dam.		13,176		5,280				248. Unearned prem., \$15,153,158. Capital,								Burglary & theft		8,576		3,873			
Auto phys. damage		613,726		212,567				\$3,000,000. Surplus, \$12,605,598, Incr., \$1-								Totals		1,608,302		891,132			
Totals		3,357,405		1,601,123				363,617.								<b>Standard Marine—Assets, \$10,529,144, decr.,</b>							
<b>Pacific Indemnity—Assets, \$40,814,628, Incr.,</b>																							
\$1,329,623. Loss res., \$16,528,883. Unearned								Health		88,051		15,315				2018,242. Loss res., \$1,841,720. Unearned							
prem., \$10,074,123. Capital, \$1,500,000. Sur-								Group A. & H.		797,548		625,456				prem., \$3,209,563. Deposit capital, \$500,000.							
plus, \$12,319,075, Incr., \$754,669.								Workmen's comp.		4,190,495		2,230,310				Ext. coverage		1,139,282		548,356			
Fire		1,029		100				Liability (not auto)		4,281,242		2,088,469				Torn. wind, hail		188,523		149,123			
Ext. coverage		144						Auto liability		8,858,878		4,367,713				Sprinkler & water dam.		12,149		13,903			
Sprinkler & water dam.		1						Auto prop. damage		4,892,872		2,282,886				Expl. riot, etc.		4,708		158			
Earthquake		26						Prop. dam. (not auto)		988,786		485,074				Earthquake		7,575		—99			
Accident		26,698		21,148				Fidelity		609,371		202,008				Ocean marine		1,431,916		581,102			
Workmen's comp.		5,406,281		3,018,507				Surety		2,153,914		254,905				Inland marine		1,082,804		490,697			
Liability (not auto)		1,933,774		1,413,045				Glass		488,369		186,576				Pers. prop. floater		269,305		214,614			
Auto liability		5,243,272		3,652,790				Burglary & theft		971,549		315,584				Aircraft phys. dam.		32					
Auto prop. damage		3,368,833		1,774,700				Totals		28,560,231		13,199,455				Auto phys. damage		822,990		326,437			
Auto phys. damage		5,651,451		2,326,434				<b>Sea—Assets, \$11,996,623, Incr., \$821,128. Loss</b>								Ocean war risk		143,773		—54,148			
Prop. dam. (not auto)		535,466		308,143				res., \$2,074,381. Unearned prem., \$2,525,051.								Totals		5,116,204		2,81,862			
Fidelity		217,194		71,741				Statutory deposit, \$500,000. Surplus, \$5,325-															
Surety		333,827		6,892				391, Incr., \$699,470.															
Glass		165,829		58,791				Fire		725,649		295,271											
Burglary & theft		303,333		124,935				Ext. coverage		148,819		103,288											
Boiler & machinery		470,075		206,946				Torn. wind, hail		5,512		5,207											
Totals		23,657,232		12,984,171				Sprinkler & water dam.		2,452		2,452											
								Expl. riot, etc.		1,441		5											
								Earthquake		913		915											
								Ocean marine		1,970,413		767,519											
								Inland marine		566,653		212,372											
								Personal prop. floater		38,479		21,091											
								Aircraft phys. dam.		51,872		17,779											
								Accident		20,668		6,230											
								Workmen's comp.		7,203		5,436											
								Liability (not auto)		22,059		7,921											
								Auto liability		83,084		28,382											
								Auto prop. damage		38,956		19,012											
								Auto phys. damage		291,117		108,907											
								Prop. dam. (not auto)		4,151		1,343											
								Glass		5													
								Totals		3,985,529		1,603,136											
								<b>Seaboard F. &amp; M.—Assets, \$4,775,781, Incr.,</b>															
								\$332,140. Loss res., \$604,503. Unearned prem.,															
								\$2,094,945. Capital, \$1,000,000. Surplus, \$1-															
								918,738, Incr., \$107,601.															
								Fire		1,064,521		481,060											
								Ext. coverage		180,752		137,425											
								Torn. wind, hail		8,944		6,739											
								Sprinkler & water dam.		2,470		511											
								Expl. riot, etc.		489		15											
								Earthquake		639													
								Ocean marine		219,757		82,744											
								Inland marine		178,832		82,295											
								Aircraft prop. dam.		1													
								Auto phys. damage		385,598		137,814											
								Totals		2,042,008		928,006											
								<b>Security Mutual Liability—Assets, \$4,014-</b>															
								991, Incr., \$816,783. Loss res., \$1,519,256. Un-															
								earned prem., \$1,675,522. Surplus, \$563,790.															
								Inc., \$11,467.															
								Workmen's comp.		527,882		366,752											
								Liability (not auto)		1,227,632		521,193											
								Auto liability		315,233		137,036											
								Auto prop. damage		127,516		98,865											
								Auto phys. damage		86,124		72,597											
								Prop. dam. (not auto)		24,336		14,971											
								Disability benefits		3,811		907											
								Totals		2,312,538		1,212,326											
								<b>Sequoia, Cal.—Assets, \$1,501,544, Incr.,</b>															
								\$191,556. Loss res., \$94,720. Unearned prem.,															
								\$623,862. Capital, \$375,000. Surplus, \$714-															
								301, decr., \$19,354.															
								Fire		320,695		98,292											
								Ext. coverage		29,926		9,365											
								Sprinkler & water dam.		5													
								Expl. riot, etc.		509													



Losses  
Incurred  
1,094,436  
3,161,440  
2,468,005  
7,732,077  
1,423,790  
316,557  
583,492  
557,128  
2,082,749  
1,598,126  
3,903,910

Incr.,  
Unearned  
00. Sur-

5,905,787  
381,006  
8,254,589  
105,974  
3,819,862  
6,870,571  
4,239,712  
9,571,506

\$4,523,  
57. Un-  
deposit,  
8,694.

857,499  
256,813  
10,379  
5,072  
—159  
—3  
2,219

.....  
34,287  
1,166,090

Incr.,  
d prem.,  
\$1,418,-

447,534  
163,112  
7,154  
1,787  
142  
—59  
92,028  
—256

99,888  
811,330

5, deer.,  
Unearned  
\$500,000.

379,309  
113,897  
11,263  
1,219  
—86  
431

1,103,149  
187,732  
102,743

.....  
—706  
1,35,291

1,863,660  
1,582,434  
Unearned  
Surplus.

12,245  
16,210  
4,159  
13,799  
5,546

105,087  
156,305  
156,492  
7,030  
100

27  
31,227  
2,473  
510,699

\$10,699,-  
2,757,258.  
\$1,500,-

.....  
1,825  
14,030  
50

255,751  
250,935  
1,341,485  
924,895

.....  
46,596  
17,925  
5,670  
41,284

73,125  
2,974,075  
9, Incr.,  
Unearned  
00. Sur-

16,145  
58,290  
44,917  
11,879

2,519,871  
796,229  
3,006,196  
1,560,181

226,758  
114,630  
61,595  
705,781  
117,534  
239,287  
8,870,292

.....  
2,759,118.  
Unearned  
Surplus.

88,762  
199,527  
91

.....  
141  
177,458  
465,980



**Like F&D,  
he SPECIALIZES**

**"YAR"**

is the "down East" term for this man's  
handiwork: sleek racing craft,  
responsive to the slightest touch  
of the tiller... trim, sound,  
seawise. For this nautical designer  
has that "master touch" which  
only years of specialization can bring.

**W**here fidelity and surety bonds are concerned, F&D's specialized experience means smooth sailing and selling for the thousands of insurance agents who represent this 61-year-old bonding company.

Thanks to the close-at-hand underwriting facilities provided by its 50 field offices, F&D representatives in all parts of the country find it possible to meet their customers' bonding needs with professional competence, no matter how limited their own experience in this field may be.

In addition, F&D's highly-trained and resourceful field men are always available to render on-the-spot assistance in closing sales or in mapping resultful business-building programs. Other insurance producers interested in increasing their bonding business will do well to investigate F&D's facilities.

**FIDELITY AND DEPOSIT COMPANY**  
*Baltimore Maryland*



FIDELITY AND SURETY BONDS  
BURGLARY, AND OTHER NEEDED  
FORMS OF INSURANCE

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

# The Policy of Friendship



## Balance Sheet

ADMITTED ASSETS	*December 31, 1950
Cash in Office, Banks and Trust Companies	\$ 38,777,419.93
United States Government Bonds . . . . .	108,301,862.62
Other Bonds and Stocks . . . . .	175,820,027.95
Investment in The Home	
Indemnity Company . . . . .	6,878,161.00
Real Estate . . . . .	5,293,635.24
Agents' Balances or Uncollected	
Premiums, Less Than 90 Days Due . . . . .	19,766,198.65
Other Admitted Assets . . . . .	3,320,264.23
<b>Total Admitted Assets . . . . .</b>	<b>\$358,157,569.62</b>
<b>LIABILITIES</b>	
Reserve for Unearned Premiums . . . . .	\$153,821,812.00
Reserve for Losses and Loss Expenses . . . . .	40,775,253.00
Reserve for Taxes . . . . .	8,750,000.00
Liabilities under Contracts with	
War Shipping Administration . . . . .	1,218,246.31
Reinsurance Reserves . . . . .	1,334,793.53
Dividends Declared . . . . .	3,598,708.50
Other Liabilities . . . . .	5,417,599.74
<b>Total Liabilities Except Capital . . . . .</b>	<b>\$214,916,413.08</b>
Capital . . . . .	\$ 20,000,000.00
Surplus . . . . .	123,241,156.54
<b>Surplus as Regards Policyholders . . . . .</b>	<b>\$143,241,156.54</b>
<b>Total . . . . .</b>	<b>\$358,157,569.62</b>

\*NOTES: Bonds carried at \$5,799,756.96 Amortized Value and Cash \$80,000.00 in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Assets and Liabilities in Canada have been adjusted to the basis of the free rate of exchange. Based on December 31, 1950 market quotations for all bonds and stocks owned, the Total Admitted Assets would be \$357,620,695.62 and the Surplus as Regards Policyholders would be \$142,704,282.54.

Every policy of The Home Insurance Company is a deeply personal document.

Each provides a shield of protection for some person's cherished possessions—perhaps your home, or car, or business. And each bears the mark of some Home Insurance representative's interest and efforts in behalf of the policyholder. In nearly every community from coast to coast, these members of the Home "family" are bringing protection to their clients and neighbors in an efficient, friendly way. And when and if fire or other adversity occurs, you'll find that this is a friendship of deeds—not words. Then your Home man carries out the promise of your policy—sees to it that you get fast and effective help.

This sincere, human approach to your insurance needs has given The Home the neighborly characteristics for which it is known. It has made of it a company which not only serves your community but is a part of it—a company of people rather than statistics.

The Home, in its truest sense, is the man who lives in your town and serves you—your Home representative and his companions in communities throughout the country. The accompanying figures are a report of their work for you and your neighbors in the year 1950.

Sincerely,

*James V. Smith*  
PRESIDENT

## Directors

LEWIS L. CLARKE Banker	CHARLES A. LOUGHIN Vice President & General Counsel	HENRY C. BRUNIE President, Empire Trust Company
*WILLIAM L. DEBOST Chairman, Union Dime Savings Bank	IVAN ESCOTT Vice President	HARBIN K. PARK President, First National Bank of Columbus, Ga.
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HAROLD H. HELM President, Chemical Bank & Trust Co.	ROBERT B. MEYER The Cord Meyer Company	LOU R. CRANDALL President, George A. Fuller Co.

\*Deceased January 18, 1951

# ★ THE HOME ★ Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes  
Casualty Insurance, Fidelity and Surety Bonds